# Mexico Affirmative

### Plan Text

#### Text: The United States federal government should substantially increase technical cooperation and investment in Mexico’s energy infrastructure.

### Solvency

#### US engagement in Mexican energy infrastructure key to solidify energy partnership

Wood ’13 (Duncan Wood, the Director of the Mexico Institute at the Woodrow Wilson International Center for Scholars, For 17 years, Dr. Wood was a professor and the director of the International Relations Program at the Instituto Tecnológico Autónomo de México (ITAM) in Mexico City, His research focuses on Mexican energy policy and North American relations, “Growing Potential for U.S. - Mexico Energy Cooperation”, January 2013)

Looking ahead to the next six years of interaction between governments of Mexico and the United States, there is the potential for an enormously fruitful relationship in energy affairs. Much of this depends on two key factors, political will and the internal changes that are underway in Mexico’s energy sector. In the past, political sensitivities concerning U.S. involvement in the Mexican hydrocarbons industry have limited the extent of collaboration in the oil and gas sectors. This continues to be a cause for concern in any U.S. - based discussion (from either the public or private sectors) of Mexican energy policy and the potential for collaboration, but in recent years there has been a relaxation of sensitivity in this area. Partly in response to the perceived need for international assistance in resolving Mexico’s multiple energy challenges, and partly as a result of a productive bilateral institutional relationship between federal energy agencies, there is now a greater potential for engagement than at any time in recent memory. We can identify three main areas in which bilateral energy cooperation holds great promise in the short - to medium - term. First, given the importance of the theme for both countries, there is great potential in the oil and gas industries. This lies in the prospects for investment, infrastructure and technical collaboration. Second, we can point to the electricity sector, where the creation of a more complete cross - border transmission netw ork and working towards the creation of a market for electric power at the regional level should be priorities for the two countries. Third, in the area of climate change policy, existing cooperation on renewable energies and the need for a strategic dialo gue on the question of carbon - emissions policy are two issues can bring benefits for both partners. Underlying all three of these areas are broader concerns about regional economic competitiveness and the consolidation of economic development in Mexico. Th e first of these concerns derives from the hugely important comparative advantage that the North American economic region has derived in recent years from low - cost energy, driven by the shale revolution. In order to maintain this comparative advantage, and to ensure that the integrated manufacturing production platform in all three countries benefits from the low - cost energy, the gains of recent years must be consolidated by fully developing Mexico’s energy resources. With regards to the second concern, eco nomic development, a number of commentators, analysts and political figures in Mexico have identified energy reform as a potential source for driving long - term economic growth and job creation, and the potential opportunities for foreign firms are consider able. While the United States cannot play an active role in driving the reform process, the implementation of any future reform will benefit from technical cooperation with the U.S. in areas such as pricing, regulation and industry best practices.

#### The plan is key to solve Mexican infrastructure concerns- expertise sharing

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The Evolving Energy Context The past 5 years have seen a revolution in the energy sector globally, with the advent of shale gas and tight oil production dramatically altering the supply outlook. In the case of gas, the success of American firms in drilling for gas in shale formations across the continental United States has meant a flood of new supplies that have caused a major decline in gas prices. From a Henry Hub spot price of over $13 per million British Thermal Units (mmBTUs), the price has fallen to just ove r $2 per mmBTU by the end of 2012. This, in turn, has greatly reduced the cost of generating electricity in the United States and has encouraged utilities to switch to gas from other fuel sources. The United States has also increased its domestic oil produ ction by more than 800,000 barrels per day (bpd) through the exploitation of tight oil reserves in places such as North Dakota, applying latest drilling and hydraulic fracturing (fracking) 39 technologies. Although we have seen this jump in supply in the U.S. , oil prices have remained high due to global demand pressures and the international, rather than regional nature of oil pricing. At the same time as U.S. production has risen, Mexican oil has experienced a precipitous decline. From a level of 3.4 million bpd in 2004, Mexico’s oil production has fallen to only 2.55 million bpd. The stagnation of the national oil company, the prohibition on foreign or private investment and participation in the sector, and the end of easy oil in Mexico has meant that a change in thinking is desperately needed in Mexican hydrocarbons policy. Oil and gas As noted above, the history of cooperation between the United States and Mexico on oil issues has been limited by the historical sensitivity of Mexico’s government and people to any hint of interference from the U.S. in what has traditionally been seen as a central element in the nation’s sovereignty. Nonetheless, recent years have shown a softening on this sensitivity, in part due to generational change, in part due to politi cal change, and in part due to the success of negotiating a Transboundary Hydrocarbons Agreement in 2012. That agreement laid out a framework for determining the management and exploitation of cross - border oil reserves, and was hailed as a positive develop ment. It was quickly ratified in the Mexican Senate, but is has yet to be ratified in the United States, and so has not yet come into force. Before moving on to discuss new areas of cooperation, it is important that this existing agreement is ratified. It is widely expected that the government of Enrique Peña Nieto will present an energy reform initiative to the Mexican Congress early in 2013. While it is still unknown how ambitious that reform proposal will be, it is thought that the government will presen t an initiative that will be aimed at opening the sector to greater levels of private participation in refining, petrochemicals and even in exploration and production. Such an opening will of course offer significant possibilities for foreign as well as Me xican firms, and will also open the door to new areas of technical and regulatory collaboration between the two countries. Mexico’s energy establis hment, and increasingly it seems, the government, hope that private investment will occur in unconventional hydrocarbons sector. For Mexico the most interesting plays in the future will be found in the deep waters of the Gulf of Mexico, in the as yet untap ped shale reserves that are found throughout the east of the country, and in the geologically - complex fields of Chicontepec, where Pemex has been consistently failing to meet production targets over the past four years. The application of cutting - edge tech nologies and techniques from U.S. firms would likely be important in all three of these areas, and the experience of American firms in shale plays would provide them with an advantage in the event of an opening in that area. It is widely expected that the government of Enrique Peña Nieto will present an energy reform initiative to the Mexican Congress early in 2013. Such an opening will of course offer significant possibilities for foreign as well as Mexican firms, and will also open the door to new areas of technical and regulatory collaboration between the two countries. 40 Of particular interest in this regard is the experience of U.S. firms in the hydraulic fracturing (fracking) business. The ability to extract shale oil and gas in areas that suffer from water shortages (such as Texas) will be crucial to developing shale resources in Mexico, particularl y in the north of the country. In fact existing knowledge of the geological characteristics of the Eagle Ford formation will also be crucial in exploiting its oil and gas reserves in Coahuila, where the formation extends. One Mexican company, Alfa, has alr eady worked extensively with U.S. partners in the shale industry north of the border, and we can expect higher levels of private sector collaboration to develop.

#### Energy infrastructure and US investment are the key issues- the plan builds pipleines

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Beyond exploration and production, the pressing need for infrastructure stands out as an area with high potential for bilateral collaboration. First, it is vital that large scale construction of gas pipelines occurs, both within Mexico and across the border. Within Mexico, the Calderon administration identified the need for multi - billion dollar investments in the creation of a truly national gas pipeline network: at the present time the majority of western portion of the country lacks access to natural gas. Secondly, as was made painfully clear to a number of private sector industrial consumers duri ng 2012, during times of short supply, the country lacks the capacity to import extra supplies of gas from the United States due to the limitations of the cross - border pipeline network. In 2012 this led to complaints from companies that they were unable to secure stable and sufficient supplies of gas for their manufacturing processes. The second deficit in energy infrastructure can be found in the refining sector. The much - publicized efforts of the Calderon administration, announced in January 2009, to buil d a new refinery at Tula in the state of Hidalgo that was designed to process up to 300,000 barrels a day of Mexican heavy crude have thus far come to nothing. The project has been repeatedly delayed, first due to problems in securing the land, then due to bureaucratic problems and political wrangling. At the same time, Mexico’s dependence on imported gasoline has increased in line with rising demand. Mexico therefore needs to find a solution to this issue in the near future, and one option that presents it self is the example of the Deer Park refinery complex in Texas where since 1993 Pemex and Shell have worked together in a joint venture to refine 340,000 barrels a day of crude oil. Part of the production of the refinery heads back to Mexico and has become an important source of income for Pemex as well as helping to satisfy the country’s need for refined products. Lastly, Mexico’s petrochemical sector is in urgent need of investment. For many years now the industry has languished due to a lack of funds and a lack of direction from the government. Despite encouraging signs of new investment interest in recent months, the major Mexican petrochemicals project of the last few years, Ethylene XXI, has suffered repeated delays. When completed in 2015, the project will be a private petrochemical complex for the production of polyethylene, producing up to one million tons of polyethylene, and replace up to $2 billion worth of imports resulting in the creation of thousands of jobs. But the prospect of huge supplies of cheap gas from Mexico and the U.S. shale gas industry offers the tantalizing prospect of turning Mexico into a production and export base for these products, and there will be a major opportunity for joint ventures with foreign firms. The prospect of huge supplies of cheap gas from Mexico and the U.S. shale gas industry offers the tantalizing prospect of turning Mexico into a petrochemical production and export platform.

#### Status quo projects will fail absent the plan

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In order to get electricity from Texas to Mexico, however, some major investments must take place in the area of transmission . At the present time the cross - border transmission infrastructure is highly limited and talks between the two countries aimed at facilitating new cross - border projects have achieved little real progress since 2010. Nine cross - border in terconnections exist at the time of writing, with new transmission capacity last added in 2007, with the opening of the Sharyland McAllen - Reynosa 150MW connection. Of course transmission not only affects the prospects for electricity imports into Mexico from Texas, but also exports from Baja Ca lifornia to California, particularly of electricity from renewable sources such as wind (see below). Mexico and the United States will need to deepen their cooperation in the area of transmission if these projects are to be brought to fruition.

### Advantage 1: American Energy

#### Increases United States energy pipelines key to sustain US gas boom

Handley ’13 (Meg Handley, Reporter for U.S. News & World Report, “Infrastructure Upgrades Needed to Fuel Domestic Energy Boom”, February 22, 2013)

In this June 27, 2012 file photo, ships bringing oil drilling equipment to Alaska, left, pass through Seattle's Elliott Bay as a Washington State Ferry passes on its way into Seattle. Ships bring oil drilling equipment to Alaska. The lack of infrastructure in the U.S. is leading some oil companies to ship products by rail, but experts say a pipeline is the most efficient way to transport oil and gas. Much has been said of the potential for the United States to become energy independent thanks to the recent boom in domestic energy production. But according to experts, growth in the industry could be stunted without serious expansion in the nation's network of pipelines and other energy infrastructure. While Quinn Kiley, senior portfolio manager at FAMCO MLP, a division of Advisory Research Inc., characterizes advances in the country's infrastructure as "industry and global leading," he says the nation needs to bring additional pipeline capacity online to keep up with the growing domestic production and potential imports flowing from Canada and Mexico. "If you have new and growing production, you need additional infrastructure whether it's from the oil sands or the Bakken Shale," says Kiley, whose firm specializes in energy infrastructure investing. "Today you have a lot of that crude [oil] coming at a very disjointed, nonlinear path to get to where it needs to go." "There's going to be a time where supply is going to outstrip the existing infrastructure and you're going to have to fill that in," Kiley adds. According to Darren Schuringa, the price tag for all the infrastructure improvements needed for the United States to achieve energy independence amounts to around $300 billion over the next decade or so, no small sum considering the still-shaky ground on which the U.S. economy sits. Still, they are key investments to make, argues Schuringa, founder of investment firm Yorkville Capital, especially if the United States wants to free itself of its dependence on unfriendly countries for crucial energy supplies. Proposed pipeline projects such as the Keystone XL could potentially help expedite that process, proponents argue, but construction of the pipeline has been held up for several years due to environmental concerns. Right now, the lack of infrastructure is leading some oil companies to ship product by rail. While that's solved the short-term transportation issues and given U.S. and Canadian railway companies a boost, a longer term solution is needed, experts argue, and a pipeline is the most efficient way to transport oil and gas. [RELATED: New Offshore Leases in U.S. Could Yield 1B Barrels of Oil] "Rail is part of the long-term solution but it's always more efficient to pipe than it is to rail," Kiley says, adding that a type of asset such as the Keystone XL is crucial because it helps connect burgeoning centers of supply with existing and potentially future demand centers. "It's part of a system of pipelines that allows you and I, in different parts of the country, to get access to the same commodities, the same petrochemical products, and natural gas," Kiley says. According to the U.S. Energy Information Administration, several new pipeline projects already in the works are designed to better regulate the flow of oil through Cushing, Okla., which historically has been the distribution hub for both imported and West Texas oil. In just the past three years, pipeline capacity for getting crude oil to Cushing increased by about 815,000 barrels per day, the EIA reported, mostly thanks to the construction of the southern leg of TransCanada's Keystone pipeline that originates in Alberta, Canada. A slew of other projects to transport crude from Cushing to Gulf Coast refineries are being planned, too. With crude oil output expected to rise 815,000 barrels a day in 2013 to more than 7 million barrels a day, experts say the expanded pipeline capacity will help ease bottlenecks in the system and even help ease some of the pain consumers have been feeling at the gas pump.

#### Continued US gas production key to stop Iranian proliferation

Medlock et al ‘11 (Kenneth B, Baker fellow in energy and resource economics, Baker institute for public policy, rice university, Amy Myers Jaffe, Wilson fellow in energy studies, Baker institute for public policy, rice university, Peter Hartley, Professor of economics, Rice University [“Shale Gas and US National Security,” July 2011)

Greater shale gas production in the United States, and eventually Europe, will also make it more difficult for Iran to profit from exporting natural gas. Since Iran is currently hampered by Western sanctions against investment in its energy sector, by the time it can get its natural gas ready for export, the marketing window to Europe will likely be closed by the availability of shale gas. This reality may give the United States and its allies more leverage over Iran for a longer period of time, helping to shape outcomes in the Middle East more positive for U.S. and allied interests.¶ Iran is more likely to become a much larger exporter in the case in which no new shale is developed (Scenario Two), primarily because of greater LNG demand from the United States. In the Reference Case, Iran only emerges as an LNG exporter in the late 2020s and its market position is more limited. However, in the constrained shale case (Scenario Two), Iranian LNG exports grow more quickly and, by 2040, they are about 75 percent higher than in the Reference Case. Thus, shale gas plays an instrumental role in delaying the opening for Iran to sell its natural gas, thwarting its ability in the near term to use natural gas exports as a means to develop bilateral relations with major gas consuming countries and limiting its opportunity to use energy diplomacy to strengthen its regional position or buttress its pursuit of nuclear weapons. Although there are many complex factors that influence Iran’s political leverage globally, the circumstance of lower requirements for Iranian natural gas could make it easier for the United States to achieve buy-in for continued economic sanctions against Iran. Lower interest in Iranian gas reduces the chances that Iran can use its energy resources to drive a wedge in the international coalition against it. By delaying the need for Iranian gas by over a decade, the United States buys time to find a better solution to the Iranian nuclear problem and leaves open the possibility that political change will take place in Iran before its influence as a major global natural gas supplier grows. In addition, the long delay in the commerciality of Iranian gas means that Tehran will have trouble getting Asian pipelines to India or Pakistan off the ground with mutually acceptable terms, thereby reducing—for at least the time being—a potential source of tension between the United States and India.30

#### Iran proliferation ensnares Israel-Iran into nuclear war through proxies

Robb 10/10 (Charles, B.A. from the University of Wisconsin–Madison, J.D. at the University of Virginia Law School, Charles Wald, Master of Political Science degree in international relations, Troy State University, Bipartisan Policy Center Board Member “The Price of Inaction: Analysis of Energy and Economic Effects of a Nuclear Iran,” October 10th, 2012, <http://bipartisanpolicy.org/sites/default/files/PriceofInaction.pdf>)

A nuclear Iran would immediately encounter another nuclear state—even if an undeclared one—in the region: Israel. Compared with the relative stability of the Cold War, an initial stalemate between Israel and Iran would be highly precarious at best and would also threaten the entirety of Gulf exports, although for a more limited duration. Were Iran to become nuclear, the frequency of crises and proxy conflicts between Iran and Israel would likely increase, as would the probability of such confrontations spiraling into a nuclear exchange, with horrendous humanitarian consequences. There could be an Israeli-Iranian nuclear exchange through miscalculation and/or miscommunication. There could also be a calculated nuclear exchange, as the Israeli and Iranian sides would each have incentives to strike the other first. Tehran would likely have the ability to produce only a small handful of weapons, whereas Israel is already estimated to possess more than 100 devices, including thermonuclear warheads far beyond the destructive power of any Iranian fission weapon. Under such circumstances, Iran’s vulnerability to a bolt-from-the-blue Israeli nuclear strike would actually increase its incentive to launch its own nuclear attack, lest its arsenal be obliterated. Israel’s small territorial size reduces the survivability of its second-strike capability and, more importantly, the survivability of the country itself, despite its vastly larger and more advanced arsenal. Thus, Israeli leaders might feel the need to act preventatively to eliminate the Iranian arsenal before it can be used against them, just as American military planners contemplated taking out the fledgling Soviet arsenal early in the Cold War, except that as a much smaller country Israel has far less room for maneuver. Xxvi

#### Israeli strikes escalate- success irrelevant

Goldberg ‘10 (Jeffrey Goldberg, National correspondent for the Atlantic, “The Point of No Return,” <http://www.theatlantic.com/magazine/archive/2010/09/the-point-of-no-return/8186/>, September 2010)

When the Israelis begin to bomb the uranium-enrichment facility at Natanz, the formerly secret enrichment site at Qom, the nuclear-research center at Esfahan, and possibly even the Bushehr reactor, along with the other main sites of the Iranian nuclear program, a short while after they depart en masse from their bases across Israel—regardless of whether they succeed in destroying Iran’s centrifuges and warhead and missile plants, or whether they fail miserably to even make a dent in Iran’s nuclear program—they stand a good chance of changing the Middle East forever; of sparking lethal reprisals, and even a full-blown regional war that could lead to the deaths of thousands of Israelis and Iranians, and possibly Arabs and Americans as well; of creating a crisis for Barack Obama that will dwarf Afghanistan in significance and complexity; of rupturing relations between Jerusalem and Washington, which is Israel’s only meaningful ally; of inadvertently solidifying the somewhat tenuous rule of the mullahs in Tehran; of causing the price of oil to spike to cataclysmic highs, launching the world economy into a period of turbulence not experienced since the autumn of 2008, or possibly since the oil shock of 1973; of placing communities across the Jewish diaspora in mortal danger, by making them targets of Iranian-sponsored terror attacks, as they have been in the past, in a limited though already lethal way; and of accelerating Israel’s conversion from a once-admired refuge for a persecuted people into a leper among nations.

#### Pakistan is required to give Saudi Arabia nuclear weapons- rapid Middle East proliferation

Robb 10/10 (Charles, B.A. from the University of Wisconsin–Madison, J.D. at the University of Virginia Law School, Charles Wald, Master of Political Science degree in international relations, Troy State University, Bipartisan Policy Center Board Member “The Price of Inaction: Analysis of Energy and Economic Effects of a Nuclear Iran,” October 10th, 2012, <http://bipartisanpolicy.org/sites/default/files/PriceofInaction.pdf>)

Saudi Arabia would be very likely to try to follow Iran across the nuclear threshold. Should it do so, the world would face the possibility of an Iran-Saudi nuclear exchange—a catastrophic humanitarian event that would threaten the entirety of Gulf oil exports for an extended period of time. In early 2008, the Senate Foreign Relations Committee concluded: “If Iran obtains a nuclear weapon, it will place tremendous pressure on Saudi Arabia to follow suit.” xix By 2012, some experts believe it has already begun to do so. Two main factors could drive Saudi Arabia to pursue a nuclear weapon: (1) a decades-long Saudi-Iran cold war waged along sectarian, religious, ethnic, and geopolitical lines and (2) a deep-seated competition over the energy policies that form the lifeblood of both regimes. The Sunni Saudi monarchy and Shiite Iranian theocracy each claim leadership of the Islamic world. This sectarian competition for primacy is reinforced by ethnic differences: Saudi Arabia is the largest and most populous Arab country astride the Gulf, but it is dwarfed by Iran’s much larger Persian-majority population. These competing claims have pitted the two countries in an enduring cold war and proxy conflict spanning from Lebanon to Iraq and the Arabian Peninsula. Iran—under both the Shah and the ayatollahs—has routinely sought to use its conventional military capabilities, large population, geostrategic position, expansive resources, and ties to armed groups to shift the balance of power in the Persian Gulf in its favor and at the expense of its Sunni Arab neighbors. xx As a result, Saudi Arabia has made it clear it views a nuclear-capable Iran as an existential threat. In 2008, King Abdullah urged the United States to “cut off the head of the snake,” one instance of his “frequent exhortations [to] the United States to attack Iran to put an end to its nuclear weapons program,” according to U.S. diplomatic cables revealed by Wikileaks. xxi With uncertain prospects for a halt to Iran’s nuclear program—peaceful or otherwise—in 2009, the King informed a senior American official, “If [Iran] gets nuclear weapons, we will get nuclear weapons.” This year, senior Saudi officials reiterated that “it would be completely unacceptable to have Iran with a nuclear capability and not the kingdom [of Saudi Arabia].” xxii Rather than lose time developing an indigenous nuclear program, it is likely the Saudi kingdom would seek to obtain a nuclear warhead from Pakistan ready to mount on its CSS- 2 ballistic missiles. Close Saudi-Pakistani security ties date back to shared Cold War–era interests, and it is widely believed that Riyadh bankrolled Islamabad’s nuclear weapons program with the stipulation that Pakistan would sell nuclear devices to Saudi Arabia in an emergency; in the words of a senior Saudi official, “within weeks.” xxiii Pakistan would benefit by receiving much-needed cash and could demand in return dual-key authority over missile launches, both to control Saudi policy and to bolster its own second-strike capability against India. At best, this would create a nuclear-armed standoff between the two most powerful and mutually antagonistic countries in the Persian Gulf. At worst, it could devolve into atomic warfare. Iran’s and Saudi Arabia’s small arsenals, lack of durable communication channels, poor civilian oversight of command-and-control systems, erratic intelligence, proximity to each other, religious ardor, and sectarian divide would all distinguish this scenario from the Cold War balance between the United States and the Soviet Union.

#### Europe models US gas production – solves dependence and decreases Russia’s gas leverage

O’sullivan and Jaffe ‘12 (Meghan, Jeane Kirkpatrick Professor of the Practice of International Affairs at the John F. Kennedy School at Harvard University, Amy Myers, Wallace S. Wilson Fellow in Energy Studies at the James A. Baker III Institute for Public Policy at Rice University in Houston [“The Geopolitics of Natural Gas,” July, <http://belfercenter.ksg.harvard.edu/files/The%20Geopolitics%20of%20Natural%20Gas.pdf>)

We begin Scenario 1 with global gas producers feverishly developing unconventional gas resources. In the United States, recent Environmental Protection Agency (EPA) regulations restricting coal use are taking their toll, and public distress in anticipation of high electricity prices has pushed environmental concerns about hydraulic fracturing out of the national debate. The state economies of Pennsylvania, Ohio, North Dakota, Wyoming, New Mexico, Oklahoma, Texas, Louisiana, and even Florida are experiencing breakneck growth as the drilling industry brings about jobs and new sources of state revenue, creating constituencies in support of expanded investment. Tumbling natural gas prices in the oversupplied US market are driving a national manufacturing boom. Protectionist policies are philosophically on the wane in the United States, and so politicians do not move to block LNG exports from the United States. But the opportunities for sales of US LNG to Europe are constrained by intense competition for market share among global gas suppliers in the face of declining EU energy demand given depressed economic conditions and already established renewable energy inputs. Indeed, on the other side of the Atlantic, Europeans are observing the US manufacturing boom with envy. Frustrated citizens in France and the United Kingdom take to the streets in protest over high electricity prices and slow industrial growth. Crowds across the continent follow suit, shouting their disgust over energy market distortions that leave Europe’s cost of living and economic competitiveness at the mercy of weather conditions and Kremlin politics. As elections in the United Kingdom and France roll around, lawmakers respond to public pressures by further liberalizing energy markets, reversing anti-fracking legislation and stripping away remaining vestiges of expensive renewable subsidies that are becoming increasingly difficult to justify in difficult economic times. Germany and Bulgaria follow suit, and shale production slowly rises in Germany, Poland, the United Kingdom, and Eastern Europe, closing the arbitrage window for proposed LNG shipments from the United States to Europe and lowering the demand for Russian pipeline imports. Europe’s largest energy firms—EON, RWE, ENI, and Gaz de France— begin to recognize Gazprom’s dwindling leverage over the European market. UK pipeline gas exports to the European continent reemerge and competition among gas suppliers in Europe intensifies. As local shale production and African LNG increasingly offer a counterweight to Russia, arbitration between Gazprom and the European firms over pricing reaches an unexpected conclusion: Gazprom capitulates. Trading hubs emerge, driving Russia toward gas-on-gas pricing and, much to Putin’s displeasure, gas market privatization takes hold not only in Europe but looks poised to take place inside Russia itself.

**Russian gas monopoly destroys NATO and causes imperialism**

Ghalen ’11 (Alexander Ghaleb (US Army Captain, Ph.D in energy security from National Defense University), October 2011, Published by Strategic Studies Institute, Letort Paper, Natural Gas as an Instrument of Russian state Power, <http://www.scribd.com/doc/69662541/Natural-Gas-as-an-Instrument-of-Russian-State-Power>)

While in the 1980s oil was considered “the only commodity whose sudden cutoff would have a drastic effect on national welfare or on economic activity,”4 the 2030s come with the image of a world in which the sudden cutoff of Russian gas to Europe will have similar disastrous effects on the economies of many European and North Atlantic Treaty Organization (NATO) member states. This monograph argues that Russian control of the natural gas supplies and of the export infrastructure systems of natural gas to Europe gives tremendous leverage to Russia in imposing its national security policy. If in the traditional security environment the use of military force was the Union of Soviet Socialist ixx Republic’s (USSR) preferred method of political coercion, in the contemporary security environment Russia is struggling with a weaker military that no longer represents a threat to the North Atlantic Alliance. This monograph emphasizes that Russia over came this major vulnerability by developing the capacity to use unilateral economic sanctions in the form of gas pricing and gas disruptions against many European NATO member states. It agrees with many scholars and politicians alike who fear that Russia will lever age its monopoly of natural gas to gain political concessions; and it supports the viewpoint that “Russia’s energy-centered foreign policy is not limited to the states of the former Soviet Union and is clearly designed to increase its leverage in key geostrategic theaters and over United States allies.” While Russian officials insist that these fears are overblown, skeptics believe that “if there were a serious enough dispute, the Russians might do just that [use its energy security leverage against NATO member states].”¶ The concerns of these skeptics cannot be dismissed without an unbiased examination of the scarcity of natural gas in the contemporary security environment, of the salience of natural gas in Russia’s national security strategies, and of the natural gas pipeline politics in Eastern and Central Europe. To address these questions, the monograph has been separated into four chapters. Chapter 1 will demonstrate that like oil in the traditional security environment, under certain conditions, natural gas can serve as an effective unilateral instrument of state power in the contemporary security environment, and that its disruption by Russia will prove deadly to the economies of many NATO member states in Eastern and Central Europe(traditionally, Russia’s sphere of inuence). Chapter 2will explain why Russia perceives NATO as a hostile¶ Xi alliance, and how Russia uses natural gas as an instrument of coercion in its sphere of influence. In Chapter3, a look at Russia’s use of natural gas as a national security instrument of coercion in negotiations with Ukraine will help energy security analysts determine the conditions under which Russia will leverage its energy superpower position in its relations with European Union (EU) and/or NATO member states. Additionally, a look at Russia’s failures in the use of such coercion in Ukraine will assist NATO member states in Eastern and Central Europe to identify ways to reduce the threat of disruption of Russian gas supplies. Finally, Chapter 4 will expose the processes Russia uses in the context of natural gas negotiations to bribe Western European nations—such as Germany, France, and Italy—to divide the NATO Alliance, and to rule over its traditional sphere of influence in Eastern and Central Europe.

#### NATO key to act as a counter-weight to global gravity shifts- solves nuclear war

Brzezinski ‘9 (Zbigniew Brzezinski, U.S. National Security Adviser from 1977 to 1981. His most recent book is Second Chance: Three Presidents and the Crisis of American Superpower, September 2009 - October 2009, (Foreign Affairs, SECTION: Pg. 2 Vol. 88 No. 5, HEADLINE: An Agenda for NATO Subtitle: Toward a Global Security Web, p. Lexis, 2009)

ADJUSTING TO A TRANSFORMED WORLD And yet, it is fair to ask: Is NATO living up to its extraordinary potential? NATO today is without a doubt the most powerful military and political alliance in the world. Its 28 members come from the globe's two most productive, technologically advanced, socially modern, economically prosperous, and politically democratic regions. Its member states' 900 million people account for only 13 percent of the world's population but 45 percent of global GDP. NATO's potential is not primarily military. Although NATO is a collective-security alliance, its actual military power comes predominantly from the United States, and that reality is not likely to change anytime soon. NATO's real power derives from the fact that it combines the United States' military capabilities and economic power with Europe's collective political and economic weight (and occasionally some limited European military forces). Together, that combination makes NATO globally significant. It must therefore remain sensitive to the importance of safeguarding the geopolitical bond between the United States and Europe as it addresses new tasks. The basic challenge that NATO now confronts is that there are historically unprecedented risks to global security. Today's world is threatened neither by the militant fanaticism of a territorially rapacious nationalist state nor by the coercive aspiration of a globally pretentious ideology embraced by an expansive imperial power. The paradox of our time is that the world, increasingly connected and economically interdependent for the first time in its entire history, is experiencing intensifying popular unrest made all the more menacing by the growing accessibility of weapons of mass destruction -- not just to states but also, potentially, to extremist religious and political movements. Yet there is no effective global security mechanism for coping with the growing threat of violent political chaos stemming from humanity's recent political awakening. The three great political contests of the twentieth century (the two world wars and the Cold War) accelerated the political awakening of mankind, which was initially unleashed in Europe by the French Revolution. Within a century of that revolution, spontaneous populist political activism had spread from Europe to East Asia. On their return home after World Wars I and II, the South Asians and the North Africans who had been conscripted by the British and French imperial armies propagated a new awareness of anticolonial nationalist and religious political identity among hitherto passive and pliant populations. The spread of literacy during the twentieth century and the wide-ranging impact of radio, television, and the Internet accelerated and intensified this mass global political awakening. In its early stages, such new political awareness tends to be expressed as a fanatical embrace of the most extreme ethnic or fundamentalist religious passions, with beliefs and resentments universalized in Manichaean categories. Unfortunately, in significant parts of the developing world, bitter memories of European colonialism and of more recent U.S. intrusion have given such newly aroused passions a distinctively anti-Western cast. Today, the most acute example of this phenomenon is found in an area that stretches from Egypt to India. This area, inhabited by more than 500 million politically and religiously aroused peoples, is where NATO is becoming more deeply embroiled. Additionally complicating is the fact that the dramatic rise of China and India and the quick recovery of Japan within the last 50 years have signaled that the global center of political and economic gravity is shifting away from the North Atlantic toward Asia and the Pacific. And of the currently leading global powers -- the United States, the EU, China, Japan, Russia, and India -- at least two, or perhaps even three, are revisionist in their orientation. Whether they are "rising peacefully" (a self-confident China), truculently (an imperially nostalgic Russia) or boastfully (an assertive India, despite its internal multiethnic and religious vulnerabilities), they all desire a change in the global pecking order. The future conduct of and relationship among these three still relatively cautious revisionist powers will further intensify the strategic uncertainty. Visible on the horizon but not as powerful are the emerging regional rebels, with some of them defiantly reaching for nuclear weapons. North Korea has openly flouted the international community by producing (apparently successfully) its own nuclear weapons -- and also by profiting from their dissemination. At some point, its unpredictability could precipitate the first use of nuclear weapons in anger since 1945. Iran, in contrast, has proclaimed that its nuclear program is entirely for peaceful purposes but so far has been unwilling to consider consensual arrangements with the international community that would provide credible assurances regarding these intentions. In nuclear-armed Pakistan, an extremist anti-Western religious movement is threatening the country's political stability. These changes together reflect the waning of the post-World War II global hierarchy and the simultaneous dispersal of global power. Unfortunately, U.S. leadership in recent years unintentionally, but most unwisely, contributed to the currently threatening state of affairs. The combination of Washington's arrogant unilateralism in Iraq and its demagogic Islamophobic sloganeering weakened the unity of NATO and focused aroused Muslim resentments on the United States and the West more generally

#### Russian economy unilateral policy causes US-Russian war

Blank ‘7 (Stephen Blank , Research Professor of National Security Affairs at the Strategic Studies Institute of the U.S. Army War College, “Russian Democracy, Revisited” Spring, <http://www.securityaffairs.org/issues/2007/12/blank.php>)

Gvosdev defends his brand of realism as a moral policy based on prudential calculations that seek to maximize benefits and minimize losses. In other words, while Russia is admittedly far from an ideal state, we can live with it as it is. But is this policy towards Russia realistic in Gvosdev’s own terms? In fact, Russia’s foreign policy is fundamentally adversarial to America and to Western interests and ideals. Moreover, thanks to Russia’s domestic political structure, not only will this foreign policy trend expand if unchecked, it will almost certainly lead Russia into another war. Russia’s conduct in 2006 serves as a microcosm of this problem. Last year, Russia gratuitously provoked international crises by threatening Ukraine, Moldova, Belarus and Georgia over energy. It showed neither the will nor the capacity to arrest or reverse proliferation in Iran or North Korea. It displayed its readiness to amputate Georgia by force and annex its former territories to Russia. It attempted to undermine the OSCE and block it from fulfilling its treaty-mandated functions of monitoring elections. It refused to negotiate seriously over energy and economics with the European Union. It recognized Hamas as a legitimate government, gave it aid, and sold it weapons. And it sold weapons to Iran, Venezuela, China and Syria, knowing full well that many of these arms will be transferred to terrorists. At home, meanwhile, Russian President Vladimir Putin is widening state control over ever more sectors of the economy, including defense, metals, and the automotive industry. Foreign equity investment in energy and many other fields is increasingly excluded from Russia in favor of Kremlin-dominated monopoly. Russia is even seeking to convert the Commonwealth of Independent States (CIS) into an oil and gas cartel that supports its own interests, rather than those of other producers. Possibly, the United States can abide such a Russia. But it is clear that America’s partners and allies, particularly those in Eastern Europe and the “post-Soviet space,” cannot long live with a government whose policies seem essentially driven by a unilateralist quest for unchecked power. Russia’s current objectives seem to be incompatible with any notion of world order based on the principles accepted by it and its partners in 1989-91. Russia evidently covets recognition as a great power or energy superpower free from all international constraints and obligations and answerable to nobody. As the political scientist Robert Legvold wrote back in 1997, Russia “craves status, not responsibility.”[1](http://www.securityaffairs.org/issues/2007/12/blank.php#footnotes) It should come as no surprise that this irresponsibility still characterizes Russian diplomacy. After all, it is the hallmark of the Russian autocracy which Putin has restored with a vengeance. Autocracy logically entails empire, an autarchic and patrimonial concept of the Russian state that is owned by the Tsar, controlled by his servitors, and which survives only by expansion. Just as autocracy means that the Tsar is not bound by or responsible to any domestic institution or principle, it also means that in foreign policy, Russia does not feel obligated to honor its own prior treaties and agreements. The struggle to get Moscow to adhere to the 1999 OSCE Summit accords it itself signed—as well as its conduct during the Russo-Ukrainian energy crisis of 2006—fully confirms that point; whatever else happened in both cases, Moscow broke its own contract with the OSCE and with Kyiv. These are far from anomalies. Foreign Minister Sergei Lavrov himself said not long ago that Russia refuses to be bound by foreign standards, or conform to them.[2](http://www.securityaffairs.org/issues/2007/12/blank.php#footnotes) He has also insisted that the West respect Russian interests in the CIS, but shows no reciprocal respect for the treaties Russia has signed and since violated. Nor does he say that Russia must respect the interests of CIS governments themselves.[3](http://www.securityaffairs.org/issues/2007/12/blank.php#footnotes) By doing so, Lavrov has confirmed the warnings of analysts like Dmitry Trenin of the Carnegie Endowment for International Peace, who caution that Russia does not want to belong to a larger institutional grouping.[4](http://www.securityaffairs.org/issues/2007/12/blank.php#footnotes) Under these conditions, as both Western and Russian firms are learning all too well, property rights are conditional—if not entirely absent. Property is the Tsar’s to control, and he or his agents grant rents to their subordinates in return for service, which tragically is generally inefficient, self- and rent-seeking, and utterly corrupt. Today, this formula is visible in Russia’s pervasive official corruption, widespread criminality, and the absence of any sense of national interests among the country’s new “boyar” class. Such a system also entails an autarchic economy hostile to foreign investment and influence. Democratic and civilian control of Russia’s multiple militaries likewise is absent, and critics of the regime or reformers are routinely killed or threatened by those forces. The most recent examples of this tragic phenomenon are the assassinations of former FSB agent Alexander Litvinenko and journalist Anna Politkovskaya, and the attempted poisoning of former Prime Minister Yegor Gaidar. Russian and Western observers both recognize that the Tsarist model is back, albeit with some Soviet accretions. And true to this model, the Kremlin today operates largely by fiat and fear. Much of Vladimir Putin’s popularity clearly derives from the state monopoly over a large swath of the national media, growing fear of the police among ordinary Russians, and the sense of prosperity provided by seven years of (largely energy-based) economic growth. Absent the official cult of personality and with a free media, undoubtedly things would be rather different. All of which is to say that it is clear that, while the United States must engage with Russia, America cannot simply accept these deformities as the necessary price for doing business with Moscow. It is not simply a matter of “lecturing” Russia, as its elites have accused Washington of doing for decades. Genuine realism requires an engagement with Russia that respects its interests but which tells the truth and responds to its numerous violations of international obligations. Such realism also requires understanding that the reversion to Russian autocracy is not merely a matter of Russia’s sovereign choice, as Putin’s ideologues pretend. It is a threat to all of Russia’s neighbors because it inherently involves a quest for empire, since Moscow understands its full sovereignty to be attainable only if that of its neighbors is diminished. It is deeply ironic that Russia can pursue such policies today largely because of the West. In order to maintain its empire, Russia must offer all kinds of hidden and overt subsidies in energy, weapons, or other forms of economic and political currency. It can only afford to do so by charging its European energy customers full market price, even as it refuses to do the same at home. Likewise, for all its benefits, U.S. funding for Cooperative Threat Reduction enables Russia to spend ever more on its armed forces, which it otherwise could not afford to do. By itself, Russia cannot pay for the rising outlays on its armed forces, its ambitious goals for re-equipping them and converting them into a power projection force beyond its borders, or their current, bloated size. Under the circumstances, a realistic Western policy cannot abandon the borderlands to Moscow. If it has reason to believe that it enjoys freedom of action there, Moscow will promptly extend its dysfunctional political system to those lands, either directly or indirectly. In either case, it will create security vacuums which are ripe for conflict and which threaten both its own and European security. Russia’s inability to quell the Chechen uprising despite twelve years of utterly brutal warfare illustrates this quite clearly. Indeed, both wars with Chechnya (in 1994 and again in 1999) were launched to secure the domestic base of first the Yeltsin and then the incoming Putin regimes.[5](http://www.securityaffairs.org/issues/2007/12/blank.php#footnotes) Since then, the fighting has engulfed the entire North Caucasus, putting Russia, thanks to its own misguided policies, at greater actual risk of terrorism. It is precisely to avoid Russian expansionism and support for rogue regimes and proliferation that it is necessary to press Russia to return to the spirit and letter of the treaties it has signed and which make up the constitutional basis of Europe’s and Eurasia’s legitimate order. We should not pressure Russia because it is insufficiently democratic, but rather because it has freely given its word to treaties and conventions that must be upheld if any kind of international order is to be preserved. Admittedly, this means that America must reorient its policies to stop seeking to extend or impose democracy. No matter how deeply held, the ideas of the current Administration enjoy no special legitimacy abroad, whereas international obligations do. Likewise, we must make clear that while the interests of the kleptocracy that passes for government in Russia are advanced by lawlessness and imperial predation, neither the interests of the Russian people nor the security of Eurasia is advanced by such policies. Quite the contrary; those policies entail long-term stagnation and war, not progress, peace, or security. Thus a realistic policy towards Russia necessarily means realigning the values which we promote. They should be those of international law and of enhanced security for both peoples and states, not untrammeled unilateralism or that might makes right. But such realism also means fearlessly proclaiming and acting upon the truth that Russian scholars themselves know and admit: Russia today remains a risk factor in world politics.[6](http://www.securityaffairs.org/issues/2007/12/blank.php#footnotes) This is largely because its domestic political arrangements oblige Moscow to pursue a unilateral and neo-imperial policy fundamentally antithetical to the security of Eurasian states, including its own. Accountability is an important virtue for all states, but for Russia it is indispensable. Without it, the Kremlin could very well succumb to imperial temptation, at the cost of international catastrophe.

#### Extinction

Bostrum ‘2 (Nick, PhD and Professor of Philosophy @ Oxford, “Existential Risks: Analyzing Human Extinction Scenarios and Related Hazards,” The Journal of Evolution and Technology, March)

A much greater existential risk emerged with the build-up of nuclear arsenals in the US and the USSR. An all-out nuclear war was a possibility with both a substantial probability and with consequences that might have been persistent enough to qualify as global and terminal. There was a real worry among those best acquainted with the information available at the time that a nuclear Armageddon would occur and that it might annihilate our species or permanently destroy human civilization.[[4]](http://www.nickbostrom.com/existential/risks.html" \l "_ftn4" \o ")  Russia and the US retain large nuclear arsenals that could be used in a future confrontation, either accidentally or deliberately. There is also a risk that other states may one day build up large nuclear arsenals. Note however that a smaller nuclear exchange, between India and Pakistan for instance, is not an existential risk, since it would not destroy or thwart humankind’s potential permanently. Such a war might however be a local terminal risk for the cities most likely to be targeted. Unfortunately, we shall see that nuclear Armageddon and comet or asteroid strikes are mere preludes to the existential risks that we will encounter in the 21st century.

### Advantage 2: Mexico Energy

#### Energy underpins Mexican stability- outside investment key

Villarreal ’12 (M. Angeles Villarreal, Specialist in International Trade and Finance, “U.S.-Mexico Economic Relations: Trends, Issues, and Implications”, <http://www.fas.org/sgp/crs/row/RL32934.pdf>, August 9, 2012)

Mexico’s long-term economic recovery and stability partially depend upon what happens in the oil industry. In 2010, Mexico was the seventh-largest producer of oil in the world and the third largest in the Western Hemisphere. 39 The Mexican government depends heavily on oil revenues, which provide 30% to 40% of the government’s fiscal revenues, but oil production in Mexico is declining rapidly. Many industry experts state that Mexican oil production has peaked and that the country’s production will continue to decline in the coming years. 40 The Mexican government has used oil revenues from its state oil company, Pétroleos Mexicanos (Pemex), for government operating expenses, which has come at the expense of needed reinvestment in the company itself. Because the government relies so heavily on oil income, any decline in production has major fiscal implications. In 2008, the government enacted new legislation that sought to reform the country’s oil sector, which was nationalized in 1938, 41 and to help increase production capability. The reforms permit Pemex to create incentive-based service contracts with private companies. Some analysts contend, however, that the reforms did not go far enough and that they do little to help the company address its major challenges. 42 Mexico’s President-elect Enrique Peña Nieto of the centrist Institutional Revolutionary Party (PRI) has vowed to convince his party, which nationalized the industry and has blocked previous attempts at reforming the energy sector, and the PRI-aligned oil workers’ union, to allow further energy reforms to move forward. The narrow margin of Peña Nieto’s victory and his coalition’s apparent failure to capture a majority in either chamber of the Mexican Congress, however, may make it difficult to reform the energy sector. Another issue that may block energy reforms from moving forward is the nationalist left’s strong showing in the July 1, 2012, elections. The leftist coalition led by the Party of the Democratic Revolution (PRD) has the second-largest bloc in the lower house of the Mexican Congress and remains staunchly opposed to increasing private involvement in Pemex. 43 Most experts contend that Pemex has only the capacity to produce in shallow waters and needs to bring in new technologies and know-how through private investment to allow the company to successfully explore and produce in the deep waters in the Gulf of Mexico. 44 The lack of further reforms is reportedly keeping Mexico from allowing much-needed foreign investment for oil exploration. Though the performance-based contracts are expected to increase production and reserves, Pemex faces serious challenges in finding new, productive wells and also lacks resources for investment in increasing engineering capacity and exploration.

#### Solving Mexican energy production key to solve drug cartels

O’Sullivan ’12 – professor of international affairs at Harvard's Kennedy School of Government

(Meghan, served on the National Security Council from 2004 to 2007, and was deputy national security advisor for Iraq and Afghanistan, “Mexican Oil Reforms Are Vital on Both Sides of the Border”, reprinted from CFR at Bloomberg, 7-30-2012, <http://www.bloomberg.com/news/2012-07-30/mexican-oil-reforms-are-vital-on-both-sides-of-the-border.html>)

In recent days a coalition of Mexican advocacy groups has been protesting in front of Televisa, the country’s largest TV network, to contest the legitimacy of President-elect Enrique Pena Nieto’s July 1 victory. These protests are the second in a string of such demonstrations scheduled before Pena Nieto takes office in December. They bode ill for Mexico’s near-term political future, pointing to a rocky transition at a time when the challenges facing the country are anything but modest. Americans might assume that tackling the drug trade that has resulted in more than 47,000 deaths since 2006 would top the agenda. But a strong case can be made that energy reforms are at least as urgent, for if Mexico can’t stem its sharply deteriorating energy situation, its ability to tackle other systemic problems will be severely compromised. Despite some recent progress in diversifying its economy, Mexico still relies on oil for 30 percent of its fiscal revenue. Yet oil production has plummeted from 3.4 million barrels a day in 2004 to 2.5 million in 2011, with most experts predicting a continuing decline over the next decade. Absent changes, Mexico could be a net importer of oil by 2020, ceasing exports to the U.S. altogether.

#### Economic growth key

Barnes ’11 (Joe, Bonner Means Baker Fellow at the Baker Institute, “Oil and U.S.-Mexico Bilateral Relations”, James A. Baker Institute for Public Policy at Rice University, April 2011)

In summary, the slow decline of Mexican oil production, in and of itself, is unlikely to have a dramatic impact on international petroleum markets or prompt any dramatic response from the United States. There is, however, one set of circumstances which this decline would capture Washington’s attention. That is the extent to which it contributes to significant instability in Mexico. 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.34 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.35 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.36

#### Mexican economic decline causes a flood of refugees, resulting in terrorism.

Brown ‘9 (Michael Brown, Undersecretary of Emergency Preparedness and Response in the Department of Homeland Security, “Border Control: Collapse of Mexico Is A Homeland Security & National Security Issue,” 1/14/2009, <http://michaelbrowntoday.com/journal/2009/1/15/border-control-collapse-of-mexico-is-a-homeland-security-nat.html>)

By failing to secure the borders and control immigration, we have opened ourselves up to a frightening scenario. **The United States could face a flood of refugees from Mexico if it were to collapse, overwhelming state and local governments along the U.S.-Mexico border**. During a time of economic duress, the costs would be overwhelming and would simply add to the already burgeoning costs at the federal level. Immigration and border control never was nor should it ever be about racism. Immigration and border control are national security and homeland security issues. Sleeper cells from numerous terrorist groups could, and probably already have, infiltrated the United States, just laying in wait to attack at an appropriately vulnerable time.

#### Drug cartel instability leads to WMD terrorism on the U.S.

Associated Press ‘8(US Officials Fear Terrorist Links With Drug Lords, <http://abcnews.go.com/US/wireStory?id=5986948>)

There is real danger that Islamic extremist groups such as al-Qaida and Hezbollah could form alliances with wealthy and powerful Latin American drug lords to launch new terrorist attacks, U.S. officials said Wednesday. Extremist group operatives have already been identified in several Latin American countries, mostly involved in fundraising and finding logistical support. But Charles Allen, chief of intelligence analysis at the Homeland Security Department, said they could use well-established smuggling routes and drug profits to bring people or even weapons of mass destruction to the U.S. "The presence of these people in the region leaves open the possibility that they will attempt to attack the United States," said Allen, a veteran CIA analyst. "The threats in this hemisphere are real. We cannot ignore them."

#### That causes extinction

Ayson 10 - Professor of Strategic Studies and Director of the Centre for Strategic Studies: New Zealand at the Victoria University of Wellington (Robert, July. “After a Terrorist Nuclear Attack: Envisaging Catalytic Effects.” Studies in Conflict & Terrorism, Vol. 33, Issue 7. InformaWorld.)

But these two nuclear worlds—a non-state actor nuclear attack and a catastrophic interstate nuclear exchange—are not necessarily separable. It is just possible that some sort of terrorist attack, and especially an act of nuclear terrorism, could precipitate a chain of events leading to a massive exchange of nuclear weapons between two or more of the states that possess them. In this context, today’s and tomorrow’s terrorist groups might assume the place allotted during the early Cold War years to new state possessors of small nuclear arsenals who were seen as raising the risks of a catalytic nuclear war between the superpowers started by third parties. These risks were considered in the late 1950s and early 1960s as concerns grew about nuclear proliferation, the so-called n+1 problem. It may require a considerable amount of imagination to depict an especially plausible situation where an act of nuclear terrorism could lead to such a massive inter-state nuclear war. For example, in the event of a terrorist nuclear attack on the United States, it might well be wondered just how Russia and/or China could plausibly be brought into the picture, not least because they seem unlikely to be fingered as the most obvious state sponsors or encouragers of terrorist groups. They would seem far too responsible to be involved in supporting that sort of terrorist behavior that could just as easily threaten them as well. Some possibilities, however remote, do suggest themselves. For example, how might the United States react if it was thought or discovered that the fissile material used in the act of nuclear terrorism had come from Russian stocks,40 and if for some reason Moscow denied any responsibility for nuclear laxity? The correct attribution of that nuclear material to a particular country might not be a case of science fiction given the observation by Michael May et al. that while the debris resulting from a nuclear explosion would be “spread over a wide area in tiny fragments, its radioactivity makes it detectable, identifiable and collectable, and a wealth of information can be obtained from its analysis: the efficiency of the explosion, the materials used and, most important … some indication of where the nuclear material came from.”41 Alternatively, if the act of nuclear terrorism came as a complete surprise, and American officials refused to believe that a terrorist group was fully responsible (or responsible at all) suspicion would shift immediately to state possessors. Ruling out Western ally countries like the United Kingdom and France, and probably Israel and India as well, authorities in Washington would be left with a very short list consisting of North Korea, perhaps Iran if its program continues, and possibly Pakistan. But at what stage would Russia and China be definitely ruled out in this high stakes game of nuclear Cluedo? In particular, if the act of nuclear terrorism occurred against a backdrop of existing tension in Washington’s relations with Russia and/or China, and at a time when threats had already been traded between these major powers, would officials and political leaders not be tempted to assume the worst? Of course, the chances of this occurring would only seem to increase if the United States was already involved in some sort of limited armed conflict with Russia and/or China, or if they were confronting each other from a distance in a proxy war, as unlikely as these developments may seem at the present time. The reverse might well apply too: should a nuclear terrorist attack occur in Russia or China during a period of heightened tension or even limited conflict with the United States, could Moscow and Beijing resist the pressures that might rise domestically to consider the United States as a possible perpetrator or encourager of the attack? Washington’s early response to a terrorist nuclear attack on its own soil might also raise the possibility of an unwanted (and nuclear aided) confrontation with Russia and/or China. For example, in the noise and confusion during the immediate aftermath of the terrorist nuclear attack, the U.S. president might be expected to place the country’s armed forces, including its nuclear arsenal, on a higher stage of alert. In such a tense environment, when careful planning runs up against the friction of reality, it is just possible that Moscow and/or China might mistakenly read this as a sign of U.S. intentions to use force (and possibly nuclear force) against them. In that situation, the temptations to preempt such actions might grow, although it must be admitted that any preemption would probably still meet with a devastating response. As part of its initial response to the act of nuclear terrorism (as discussed earlier) Washington might decide to order a significant conventional (or nuclear) retaliatory or disarming attack against the leadership of the terrorist group and/or states seen to support that group. Depending on the identity and especially the location of these targets, Russia and/or China might interpret such action as being far too close for their comfort, and potentially as an infringement on their spheres of influence and even on their sovereignty. One far-fetched but perhaps not impossible scenario might stem from a judgment in Washington that some of the main aiders and abetters of the terrorist action resided somewhere such as Chechnya, perhaps in connection with what Allison claims is the “Chechen insurgents’ … long-standing interest in all things nuclear.”42 American pressure on that part of the world would almost certainly raise alarms in Moscow that might require a degree of advanced consultation from Washington that the latter found itself unable or unwilling to provide. There is also the question of how other nuclear-armed states respond to the act of nuclear terrorism on another member of that special club. It could reasonably be expected that following a nuclear terrorist attack on the United States, bothRussia and China would extend immediate sympathy and support to Washington and would work alongside the United States in the Security Council. But there is just a chance, albeit a slim one, where the support of Russia and/or China is less automatic in some cases than in others. For example, what would happen if the United States wished to discuss its right to retaliate against groups based in their territory? If, for some reason, Washington found the responses of Russia and China deeply underwhelming, (neither “for us or against us”) might it also suspect that they secretly were in cahoots with the group, increasing (again perhaps ever so slightly) the chances of a major exchange. If the terrorist group had some connections to groups in Russia and China, or existed in areas of the world over which Russia and China held sway, and if Washington felt that Moscow or Beijing were placing a curiously modest level of pressure on them, what conclusions might it then draw about their culpability

#### US-Mexican border terrorism results in bioterror attacks.

Timmerman ’10 (Ken Timmerman, Newsmax correspondent, “FBI Director Mueller: Al-Qaida Still Wants Nuclear Bomb,” 3/18/2010, <http://newsmax.com/Newsfront/mueller-fbi-alqaida-nuclear/2010/03/18/id/353169>)

FBI Director Robert Mueller warned Congress on Wednesday of ongoing al-Qaida efforts to acquire weapons of mass destruction to attack the United States. “Al-Qaida remains committed to its goal of conducting attacks inside the United States,” Mueller told a House appropriations subcommittee. “Further, al-Qaida’s continued efforts to access chemical, biological, radiological, or nuclear material pose a serious threat to the United States.” To accomplish its goals of new attacks on the American homeland, al-Qaida “seeks to infiltrate overseas operatives who have no known nexus to terrorism into the United States using both legal and illegal methods of entry,” Mueller said. In February, Sheikh Abdullah al-Nasifi, **a known al-Qaida recruiter in Kuwait, boasted on al Jazeera television that Mexico’s border with the United States was the ideal infiltration point for terrorists seeking to attack America**. “Four pounds of anthrax – in a suitcase this big – carried by a fighter through tunnels from Mexico into the U.S., are guaranteed to kill 330,000 Americans within a single hour if it is properly spread in population centers there,” al-Nasifi said.

#### Extinction

Steinbruner ’97 – Brookings senior fellow and chair in international security

(John D. Steinbruner, Brookings senior fellow and chair in international security, vice chair of the committee on international security and arms control of the National Academy of Sciences, Winter 1997, Foreign Policy, “Biological weapons: a plague upon all houses,” n109 p85(12), infotrac)

Although human pathogens are often lumped with nuclear explosives and lethal chemicals as potential weapons of mass destruction, there is an obvious, fundamentally important difference: Pathogens are alive, weapons are not. Nuclear and chemical weapons do not reproduce themselves and do not independently engage in adaptive behavior; pathogens do both of these things. That deceptively simple observation has immense implications. The use of a manufactured weapon is a singular event. Most of the damage occurs immediately. The aftereffects, whatever they may be, decay rapidly over time and distance in a reasonably predictable manner. Even before a nuclear warhead is detonated, for instance, it is possible to estimate the extent of the subsequent damage and the likely level of radioactive fallout. Such predictability is an essential component for tactical military planning. The use of a pathogen, by contrast, is an extended process whose scope and timing cannot be precisely controlled. For most potential biological agents, the predominant drawback is that they would not act swiftly or decisively enough to be an effective weapon. But for a few pathogens - ones most likely to have a decisive effect and therefore the ones most likely to be contemplated for deliberately hostile use - the risk runs in the other direction. A lethal pathogen that could efficiently spread from one victim to another would be capable of initiating an intensifying cascade of disease that might ultimately threaten the entire world population. The 1918 influenza epidemic demonstrated the potential for a global contagion of this sort but not necessarily its outer limit.

#### Drug cartels instability will spill over throughout Latin America

Bonner ’10 (Robert C., senior principal of the Sentinel HS Group, former administrator of the U.S. Drug Enforcement Administration, “The New Cocaine Cowboys”, Foreign Affairs, July/August 2010, <http://www.foreignaffairs.com/articles/66472/robert-c-bonner/the-new-cocaine-cowboys>)

The recent headlines from Mexico are disturbing: U.S. consular official gunned down in broad daylight; Rancher murdered by Mexican drug smuggler; Bomb tossed at U.S. consulate in Nuevo Laredo. This wave of violence is eerily reminiscent of the carnage that plagued Colombia 20 years ago, and it is getting Washington's attention. Mexico is in the throes of a battle against powerful drug cartels, the outcome of which will determine who controls the country's law enforcement, judicial, and political institutions. It will decide whether the state will destroy the cartels and put an end to the culture of impunity they have created. Mexico could become a first-world country one day, but it will never achieve that status until it breaks the grip these criminal organizations have over all levels of government and strengthens its law enforcement and judicial institutions. It cannot do one without doing the other. Destroying the drug cartels is not an impossible task. Two decades ago, Colombia was faced with a similar -- and in many ways more daunting -- struggle. In the early 1990s, many Colombians, including police officers, judges, presidential candidates, and journalists, were assassinated by the most powerful and fearsome drug-trafficking organizations the world has ever seen: the Cali and Medellín cartels. Yet within a decade, the Colombian government defeated them, with Washington's help. The United States played a vital role in supporting the Colombian government, and it should do the same for Mexico. The stakes in Mexico are high. If the cartels win, these criminal enterprises will continue to operate outside the state and the rule of law, undermining Mexico's democracy. The outcome matters for the United States as well -- if the drug cartels succeed, the United States will share a 2,000-mile border with a narcostate controlled by powerful transnational drug cartels that threaten the stability of Central and South America.

#### That causes nuclear war and extinction

**Manwaring 05** – adjunct professor of international politics at Dickinson

(Max G., Retired U.S. Army colonel, Venezuela’s Hugo Chávez, Bolivarian Socialism, and Asymmetric Warfare, October 2005, pg. PUB628.pdf)

President Chávez also understands that the process leading to state failure is the most dangerous long-term security challenge facing the global community today. The argument in general is that failing and failed state status is the breeding ground for instability, criminality, insurgency, regional conflict, and terrorism. These conditions breed massive humanitarian disasters and major refugee flows. They can host “evil” networks of all kinds, whether they involve criminal business enterprise, narco-trafficking, or some form of ideological crusade such as *Bolivarianismo.* More specifically, these conditions spawn all kinds of things people in general do not like such as murder, kidnapping, corruption, intimidation, and destruction of infrastructure. These means of coercion and persuasion can spawn further human rights violations, torture, poverty, starvation, disease, the recruitment and use of child soldiers, trafficking in women and body parts, trafficking and proliferation of conventional weapons systems and WMD, genocide, ethnic cleansing, warlordism, and criminal anarchy. At the same time, these actions are usually unconfined and spill over into regional syndromes of poverty, destabilization, and conflict.62 Peru’s *Sendero Luminoso* calls violent and destructive activities that facilitate the processes of state failure “armed propaganda.” Drug cartels operating throughout the Andean Ridge of South America and elsewhere call these activities “business incentives.” Chávez considers these actions to be steps that must be taken to bring about the political conditions necessary to establish Latin American socialism for the 21st century.63 Thus, in addition to helping to provide wider latitude to further their tactical and operational objectives, state and nonstate actors’ strategic efforts are aimed at progressively lessening a targeted regime’s credibility and capability in terms of its ability and willingness to govern and develop its national territory and society. Chávez’s intent is to focus his primary attack politically and psychologically on selected Latin American governments’ ability and right to govern. In that context, he understands that popular perceptions of corruption, disenfranchisement, poverty, and lack of upward mobility limit the right and the ability of a given regime to conduct the business of the state. Until a given populace generally perceives that its government is dealing with these and other basic issues of political, economic, and social injustice fairly and effectively, instability and the threat of subverting or destroying such a government are real.64 But failing and failed states simply do not go away. Virtually anyone can take advantage of such an unstable situation. The tendency is that the best motivated and best armed organization on the scene will control that instability. As a consequence, failing and failed states become dysfunctional states, rogue states, criminal states, narco-states, or new people’s democracies. In connection with the creation of new people’s democracies, one can rest assured that Chávez and his Bolivarian populist allies will be available to provide money, arms, and leadership at any given opportunity. And, of course, the longer dysfunctional, rogue, criminal, and narco-states and people’s democracies persist, the more they and their associated problems endanger global security, peace, and prosperity.65

### Advantage 3: Latin American Rise

#### Sustained United States engagement is key to Latin American nations- economic engagement spills over

InterAmerican Dialogue ’12 (The Inter-American Dialogue is the leading U.S. center for policy analysis, exchange, and communication on issues in Western Hemisphere affairs, “Remaking The Relationship The United States And Latin America”, http://www.thedialogue.org/PublicationFiles/IAD2012PolicyReportFINAL.pdf, April 2012)

economics/ energy Expanded trade, investment, and energy cooperation offer the greatest promise for robust US-Latin American relations . Independent of government policies, these areas have seen tremendous growth and development, driven chiefly by the private sector . The US government needs to better appreciate the rising importance of Latin America—with its expanding markets for US exports, burgeoning opportunities for US investments, enormous reserves of energy and minerals, and continuing supply of needed labor—for the longer term performance of the US economy . With Brazil and many other Latin American economies thriving and showing promise for sustained rapid growth and rising incomes, the search for economic opportunities has become the main force shaping relationships in the hemisphere . Intensive economic engagement by the United States may be the best foundation for wider partnerships across many issues as well as the best way to energize currently listless US relations with the region . What Latin America’s largely middle and upper middle income countries— and their increasingly middle class populations—most want and need from the United States is access to its $16-trillion-a-year economy, which is more than three times the region’s economies combined . Most Latin American nations experienced quicker recovery from the financial crisis than did the United States, and they are growing at a faster pace . Nonetheless, they depend on US capital for investment, US markets for their exports, and US technology and managerial innovation to lift productivity . They also rely on the steady remittances from their citizens in the United States . The United States currently buys about 40 percent of Latin America’s exports and an even higher percentage of its manufactured products . It remains the first or second commercial partner for nearly every country in the region . And it provides nearly 40 percent of foreign investment and upwards of 90 percent of the $60 billion or so in remittance income that goes to Latin America .

#### Solves competitiveness- energy markets key

Noriega ’12 (Roger Noriega, Roger F. Noriega is a former assistant secretary of state for Western Hemisphere affairs (Canada, Latin America, and the Caribbean) and a former U.S. ambassador to the Organization of American States. He coordinates AEI's program on Latin America and writes for the Institute's Latin American Outlook series, “Latin America is crucial to US competitiveness”, <http://www.aei-ideas.org/2012/10/latin-america-is-crucial-to-us-competitiveness/>, October 22, 2012)

A stable and prosperous Americas is indispensable to US economic success and security. However, the US economic and fiscal crises and preoccupation with two controversial wars distracted policy makers in Washington and undermined US leadership in the region. Although access to the US market, investment, technology, and other economic benefits is valued in most countries in the region, the United States is not the only partner to choose from– with China’s influence growing. The United States must recover its own credibility by making bold decisions to restore fiscal responsibility, aggressive trade promotion, energy interdependence, and economic growth. The security challenges in the Americas are very real and growing more complicated every day. Illegal narcotics trafficking, transnational organized crime, and radical populism fueled by Venezuela’s petrodollars and allied with dangerous extra-regional forces pose a daunting set of challenges. Alongside a positive economic engagement, assessing and addressing threats is an indispensable obligation to US security and regional leadership. Expanding Regional Economic Cooperation and Trade Integration An aggressive trade promotion and foreign investment strategy in today’s hypercompetitive globalized economy are imperatives. Mexico, Chile, Peru, Brazil, and Colombia have been at the forefront in modernizing their economies, liberalizing trade, opening their economies to investment, and becoming more competitive overall. Since 2003, an estimated 73 million Latin Americans have risen out of poverty. Moreover, between then and 2010, the average Latin American income increased by more than 30 percent, meaning that today nearly one-third of the region’s one-billion population is considered middle class. And in just the next five years, regional economies are projected to expand by one-third. That macroeconomic stability generates even greater opportunities for US business. Already the Western Hemisphere supplies one-quarter of the world’s crude oil, one-third of the world’s natural gas, nearly one-fourth of its coal, and more than a third of global electricity, while offering tremendous potential for the development of renewable energy technologies. Three of the United States’ top four foreign sources of energy are in the Americas. The US administration must recognize this reality and act to take full advantage of the opportunities.

#### And economic leadership is on the decline now

InterAmerican Dialogue ’12 (The Inter-American Dialogue is the leading U.S. center for policy analysis, exchange, and communication on issues in Western Hemisphere affairs, “Remaking The Relationship The United States And Latin America”, http://www.thedialogue.org/PublicationFiles/IAD2012PolicyReportFINAL.pdf, April 2012)

US economic preeminence in Latin America has, however, waned in recent years . Just a decade ago, 55 percent of the region’s imports originated in the United States . Today, the United States supplies less than one-third of Latin America’s imports . China and Europe have made huge inroads . China’s share of trade in Brazil, Chile, and Peru has surpassed that of the United States; it is a close second in Argentina and Colombia . Furthermore, Latin American nations now trade much more among themselves . Argentina, for example, may soon replace the United States as Brazil’s second largest trad - ing partner, just behind China . Still, these changes must be put in perspective . Even as the US share of the Latin American market has diminished, its exports to the region have been rising at an impressive pace . They have more than doubled since 2000, grow - ing an average of nearly 9 percent a year, 2 percent higher than US exports worldwide . US trade should expand even faster in the coming period as Latin America’s growth continues to be strong . But the United States will have to work harder and harder to compete for the region’s markets and resources . While Latin America has been diversifying its international economic ties, the region’s expanding economies have become more critical to US economic growth and stability . Today the United States exports more to Latin America than it does to Europe; twice as much to Mexico than it does to China; and more to Chile and Colombia than it does to Russia . Even a cursory examination of the numbers points to how much the United States depends on the region for oil and minerals . Latin America accounts for a third of US oil imports . Mexico is the second-biggest supplier after Canada . Venezuela, Brazil, and Colombia sit among the top dozen, and imports from Brazil are poised to rise sharply with its recent offshore dis - coveries . Within a decade, Brazil and Mexico may be two of the three largest suppliers of oil to the United States .

#### US-Mexican actions spill over to the region and energy infrastructure key- prevent resource wars

Barshefsky et al ‘8 (Charlene Barshefsky, James T. Hill, and Shannon K. O’Neil, Council on Foreign Relations, <http://www.cfr.org/mexico/us-latin-america-relations/p16279>, “U.S.-Latin America Relations: A New Direction for a New Reality”, May 2008)

The rise of resource nationalism represents a difficult challenge for both the United States and Latin American countries. One side effect of this has been the decline of high-level multilateral energy forums, further lessening the likelihood that political, financial, environmental, and other impediments will be tackled aggressively. In particular, the termination of the Western Hemisphere energy ministers meetings (held annually between 1999 and 2004 under U.S. leadership and the rubric of the Summit of the Americas process) has left a void. While South American leaders pledged at an April 2007 regional energy summit to initiate a ministerial-level South American Energy Council, the success of this effort is far from assured. Infrastructure deficiencies are another obstacle. According to the International Energy Agency (IEA), in order to meet increased energy demands, Latin America will require close to $1.3 trillion in overall investment in the energy sector between 2001 and 2030, the equivalent of 1.5 percent of GDP each 49 year. The sheer size of the deficiency should encourage Latin American governments to adjust regulatory frameworks and provide opportunities for public and private investment from the United States and around the world. The Task Force finds that Latin America remains a relatively stable oil- producing region and potentially an important source of natural gas exports, though state ownership and political turmoil limit international and private sector involvement in some countries, impeding efficiency and growth. Future output will depend on substantial investments in exploration and production, favoring the energy sectors in countries more open to investment, expanded collaboration, and trade. In these nations, in particular Brazil, Mexico, and Peru, the extent of dialogue and collaboration taking place among Mexico, Canada, and the United States should serve as a positive model. Expanding and stabilizing the energy trade across the region would have important benefits to economic development, political stability, and the U.S.-Latin America relationship.

#### Depression inevitably causing global warfare

Green and Schrage ‘9 (Michael J Green is Senior Advisor and Japan Chair at the Center for Strategic and International Studies (CSIS) and Associate Professor at Georgetown University. Steven P Schrage is the CSIS Scholl Chair in International Business and a former senior official with the US Trade Representative's Office, State Department and Ways & Means Committee, Asia Times, 2009 <http://www.atimes.com/atimes/Asian_Economy/KC26Dk01.html>)

Facing the worst economic crisis since the Great Depression, analysts at the World Bank and the US Central Intelligence Agency are just beginning to contemplate the ramifications for international stability if there is not a recovery in the next year. For the most part, the focus has been on fragile states such as some in Eastern Europe. However, the Great Depression taught us that a downward global economic spiral can even have jarring impacts on great powers. It is no mere coincidence that the last great global economic downturn was followed by the most destructive war in human history. In the 1930s, economic desperation helped fuel autocratic regimes and protectionism in a downward economic-security death spiral that engulfed the world in conflict. This spiral was aided by the preoccupation of the United States and other leading nations with economic troubles at home and insufficient attention to working with other powers to maintain stability abroad. Today's challenges are different, yet 1933's London Economic Conference, which failed to stop the drift toward deeper depression and world war, should be a cautionary tale for leaders heading to next month's London Group of 20 (G-20) meeting. There is no question the US must urgently act to address banking issues and to restart its economy. But the lessons of the past suggest that we will also have to keep an eye on those fragile threads in the international system that could begin to unravel if the financial crisis is not reversed early in the Barack Obama administration and realize that economics and security are intertwined in most of the critical challenges we face. A disillusioned rising power? Four areas in Asia merit particular attention, although so far the current financial crisis has not changed Asia's fundamental strategic picture. China is not replacing the US as regional hegemon, since the leadership in Beijing is too nervous about the political implications of the financial crisis at home to actually play a leading role in solving it internationally. Predictions that the US will be brought to its knees because China is the leading holder of US debt often miss key points. China's currency controls and full employment/export-oriented growth strategy give Beijing few choices other than buying US Treasury bills or harming its own economy. Rather than creating new rules or institutions in international finance, or reorienting the Chinese economy to generate greater long-term consumer demand at home, Chinese leaders are desperately clinging to the status quo (though Beijing deserves credit for short-term efforts to stimulate economic growth). The greater danger with China is not an eclipsing of US leadership, but instead the kind of shift in strategic orientation that happened to Japan after the Great Depression. Japan was arguably not a revisionist power before 1932 and sought instead to converge with the global economy through open trade and adoption of the gold standard. The worldwide depression and protectionism of the 1930s devastated the newly exposed Japanese economy and contributed directly to militaristic and autarkic policies in Asia as the Japanese people reacted against what counted for globalization at the time. China today is similarly converging with the global economy, and many experts believe China needs at least 8% annual growth to sustain social stability. Realistic growth predictions for 2009 are closer to 5%. Veteran China hands were watching closely when millions of migrant workers returned to work after the Lunar New Year holiday last month to find factories closed and jobs gone. There were pockets of protests, but nationwide unrest seems unlikely this year, and Chinese leaders are working around the clock to ensure that it does not happen next year either. However, the economic slowdown has only just begun and nobody is certain how it will impact the social contract in China between the ruling communist party and the 1.3 billion Chinese who have come to see President Hu Jintao's call for "harmonious society" as inextricably linked to his promise of "peaceful development". If the Japanese example is any precedent, a sustained economic slowdown has the potential to open a dangerous path from economic nationalism to strategic revisionism in China too. Dangerous states It is noteworthy that North Korea, Myanmar and Iran have all intensified their defiance in the wake of the financial crisis, which has distracted the world's leading nations, limited their moral authority and sown potential discord. With Beijing worried about the potential impact of North Korean belligerence or instability on Chinese internal stability, and leaders in Japan and South Korea under siege in parliament because of the collapse of their stock markets, leaders in the North Korean capital of Pyongyang have grown increasingly boisterous about their country's claims to great power status as a nuclear weapons state. The junta in Myanmar has chosen this moment to arrest hundreds of political dissidents and thumb its nose at fellow members of the 10-country Association of Southeast Asian Nations. Iran continues its nuclear program while exploiting differences between the US, UK and France (or the P-3 group) and China and Russia - differences that could become more pronounced if economic friction with Beijing or Russia crowds out cooperation or if Western European governments grow nervous about sanctions as a tool of policy. It is possible that the economic downturn will make these dangerous states more pliable because of falling fuel prices (Iran) and greater need for foreign aid (North Korea and Myanmar), but that may depend on the extent that authoritarian leaders care about the well-being of their people or face internal political pressures linked to the economy. So far, there is little evidence to suggest either and much evidence to suggest these dangerous states see an opportunity to advance their asymmetrical advantages against the international system. Challenges to the democratic model The trend in East Asia has been for developing economies to steadily embrace democracy and the rule of law in order to sustain their national success. But to thrive, new democracies also have to deliver basic economic growth. The economic crisis has hit democracies hard, with Japanese Prime Minister Aso Taro's approval collapsing to single digits in the polls and South Korea's Lee Myung-bak and Taiwan's Ma Ying Jeou doing only a little better (and the collapse in Taiwan's exports - particularly to China - is sure to undermine Ma's argument that a more accommodating stance toward Beijing will bring economic benefits to Taiwan). Thailand's new coalition government has an uncertain future after two years of post-coup drift and now economic crisis. The string of old and new democracies in East Asia has helped to anchor US relations with China and to maintain what former secretary of state Condoleezza Rice once called a "balance of power that favors freedom". A reversal of the democratic expansion of the past two decades would not only impact the global balance of power but also increase the potential number of failed states, with all the attendant risk they bring from harboring terrorists to incubating pandemic diseases and trafficking in persons. It would also undermine the demonstration effect of liberal norms we are urging China to embrace at home. Protectionism The collapse of financial markets in 1929 was compounded by protectionist measures such as the Smoot-Hawley tariff act in 1932. Suddenly, the economic collapse became a zero-sum race for autarkic trading blocs that became a key cause of war. Today, the globalization of finance, services and manufacturing networks and the World Trade Organization (WTO) make such a rapid move to trading blocs unlikely. However, protectionism could still unravel the international system through other guises. Already, new spending packages around the world are providing support for certain industries that might be perceived by foreign competitors as unfair trade measures, potentially creating a "Smoot-Hawley 2.0" stimulus effect as governments race to prop up industries. "Buy American" conditionality in the US economic stimulus package earlier this year was watered down somewhat by the Obama administration, but it set a tempting precedent for other countries to put up barriers to close markets.

#### And US economic leadership key to global stability

**Gelb ’10** (“GDP Now Matters More Than Force” Leslie H. Gelb is President Emeritus of the Council on Foreign Relations. He was a senior official in the U.S. Defense Department from 1967 to 1969 and in the State Department from 1977 to 1979, and he was a Columnist and Editor at The New York Times from 1981 to 1993. Published 2010 by Foreign Affairs in Washington DC, USA . Written in English. Table of Contents A U.S. Foreign Policy for the Age of Economic Power

Today, the United States continues to be the world's power balancer of choice. It is the only regional balancer against China in Asia, Russia in eastern Europe, and Iran in the Middle East. Although Americans rarely think about this role and foreign leaders often deny it for internal political reasons, the fact is that Americans and non-Americans alike require these services. Even Russian leaders today look to Washington to check China. And Chinese leaders surely realize that they need the U.S. Navy and Air Force to guard the world's sea and trading lanes. Washington should not be embarrassed to remind others of the costs and risks of the United States' security role when it comes to economic transactions. That applies, for example, to Afghan and Iraqi decisions about contracts for their natural resources, and to Beijing on many counts. U.S. forces maintain a stable world order that decidedly benefits China's economic growth, and to date, Beijing has been getting a free ride. A NEW APPROACH In this environment, the first-tier foreign policy goals of the United States should be a strong economy and the ability to deploy effective counters to threats at the lowest possible cost. Second-tier goals, which are always more controversial, include retaining the military power to remain the world's power balancer, promoting freer trade, maintaining technological advantages (including cyberwarfare capabilities), reducing risks from various environmental and health challenges, developing alternative energy supplies, and advancing U.S. values such as democracy and human rights. Wherever possible, second-tier goals should reinforce first-tier ones: for example, it makes sense to err on the side of freer trade to help boost the economy and to invest in greater energy independence to reduce dependence on the tumultuous Middle East. But no overall approach should dictate how to pursue these goals in each and every situation. Specific applications depend on, among other things, the culture and politics of the target countries. An overarching vision helps leaders consider how to use their power to achieve their goals. This is what gives policy direction, purpose, and thrust--and this is what is often missing from U.S. policy. The organizing principle of U.S. foreign policy should be to use power to solve common problems. The good old days of being able to command others by making military or economic threats are largely gone. Even the weakest nations can resist the strongest ones or drive up the costs for submission. Now, U.S. power derives mainly from others' knowing that they cannot solve their problems without the United States and that they will have to heed U.S. interests to achieve common goals. Power by services rendered has largely replaced power by command. No matter the decline in U.S. power, most nations do not doubt that the United States is the indispensable leader in solving major international problems. This problem-solving capacity creates opportunities for U.S. leadership in everything from trade talks to military-conflict resolution to international agreements on global warming. Only Washington can help the nations bordering the South China Sea forge a formula for sharing the region's resources. Only Washington has a chance of pushing the Israelis and the Palestinianstoward peace. Only Washington can bargain to increase the low value of a Chinese currency exchange . rate that disadvantages almost every nation's trade with China. But it is clear to Americans and non-Americans alike that Washington lacks the power to solve or manage difficult problems alone; the indispensable leader must work with indispensable partners. To attract the necessary partners, Washington must do the very thing that habitually afflicts U.S. leaders with political hives: compromise. This does not mean multilateralism for its own sake, nor does it mean abandoning vital national interests. The Obama administration has been criticized for softening UN economic sanctions against Iran in order to please China and Russia. Had the United States not compromised, however, it would have faced vetoes and enacted no new sanctions at all. U.S. presidents are often in a strong position to bargain while preserving essential U.S. interests, but they have to do a better job of selling such unavoidable compromises to the U.S. public. U.S. policymakers must also be patient. The weakest of nations today can resist and delay. Pressing prematurely for decisions--an unfortunate hallmark of U.S. style--results in failure, the prime enemy of power. Success breeds power, and failure breeds weakness. Even when various domestic constituencies shout for quick action, Washington's leaders must learn to buy time in order to allow for U.S. power--and the power of U.S.-led coalitions--to take effect abroad. Patience is especially valuable in the economic arena, where there are far more players than in the military and diplomatic realms. To corral all these players takes time. Military power can work quickly, like a storm; economic power grabs slowly, like the tide. It needs time to erode the shoreline, but it surely does nibble away. To be sure, U.S. presidents need to preserve the United States' core role as the world's military and diplomatic balancer--for its own sake; and because it strengthens U.S. interests in economic transactions. But economics has to be the main driver for current policy, as nations calculate power more in terms of GDP than military might**.** U.S. GDP will be the lure and the whipin the international affairs of the twenty-first century. U.S. interests abroad cannot be adequately protected or advanced without an economic reawakening at home.

#### Resource conflict causes prolif and nuclear conflict.

Wooldridge 9. (Frosty, free lance writer, once lectured at Cornell University, “Humanity galloping toward its greatest crisis in the 21st century” http://www.australia.to/index.php?option=com\_content&view=article&id=10042:humanity-galloping-toward-its-greatest-crisis-in-the-21st-century&catid=125:frosty-wooldridge&Itemid=244

It is clear that most politicians and most citizens do not recognize that returning to “more of the same” is a recipe for promoting the first collapse of a global civilization. The required changes in energy technology, which would benefit not only the environment but also national security, public health, and the economy, would demand a World War II type mobilization -- and even that might not prevent a global climate disaster. Without transitioning away from use of fossil fuels, humanity will move further into an era of resource wars (remember, Africom has been added to the Pentagon’s structure -- and China has noticed), clearly with intent to protect US “interests” in petroleum reserves. The consequences of more resource wars, many likely triggered over water supplies stressed by climate disruption, are likely to include increased unrest in poor nations, a proliferation of weapons of mass destruction, widening inequity within and between nations, and in the worst (and not unlikely) case, a nuclear war ending civilization.

#### China specifically is increasing ties in Latin America- zero sum

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KEVIN GALLAGHER Absolutely. China is really the new kid on the block in the region. As you noted in your introduction, it’s now the number one or number two trading partner with almost every country of significance in the region and in the year 2000, they weren’t even on the radar screen. ERIC VAN BEMMEL So what have been the economic benefits to Latin America and the Caribbean of this massive economic engagement? KEVIN GALLAGHER Well, if you are a commodities exporter in South America, you’re very happy for China two times over. First, China is a brand new market for all sorts of commodities, such as soy beans, copper, iron ore, beef and the list goes on and because China has been demanding so much of these things, they’ve been making it more scarce in the global market place. Therefore, the price is going up and so when they sell to Australians, if you’re in Brazil, you’re selling iron ore to Australians, you’re getting a higher price than you would of years before. So the real winners are the commodity sectors and some governments that might have taxes and royalties that are related to that. ERIC VAN BEMMEL Now, I’ve read that trade has jumped from somewhere like $10 billion in bilateral trade in the year 2000 to over 241 billion in 2011. It’s probably even more in 2012 and beyond and we’re speaking now in April of 2013. You mentioned, of course, that it’s primarily around natural resources and commodities. Agriculture, mining, energy companies in Latin America do well out of this, but isn’t this dependence on resource exports for economies in general and for emerging economies, in particular, risky? KEVIN GALLAGHER Yeah. There’s some in Latin America that are really worried that this might launch them back to the 19th century. South American, Latin American region for the past 60 to 70 years has been putting a lot of effort into trying to diversify its economy. Like the Chinese themselves and many East Asian countries that were very rural, agricultural based economies, they’ve really tried to diversify into manufacturing and services and so forth and the Latin Americans have been trying to do that too since the 1940s and 1950s. But when push comes to shove, what the rest of the world really wants from the region are their primary commodities and there has just been such a surge in demand for this that it’s really started to overwhelm some of their other product bases. When the demand from China, from India, from other parts of Asia for all these commodities has just surged, it has also caused exchange rate appreciation, so the cost of their manufactured goods are relatively more expensive. So there’s been less investment into the diversified aspects of their economy and services in, say, car parts and more in natural resources and there is a worry that the region might get plagued in what is referred to as the resource curse. ERIC VAN BEMMEL That’s what’s called the Dutch Disease, I believe. KEVIN GALLAGHER Indeed. Yeah. ERIC VAN BEMMEL Now, fuelling all this is a lot of the finance and investment that’s coming in from China as well. Since the Global Financial Crisis in 2008, China has become the main lender to the region. Can you give us an idea of the size of these loans and where they’re directed? KEVIN GALLAGHER Sure. Since 2003, China has lent upwards of $86 billion to Latin American countries. That’s more than the World Bank and the Inter-American Development Bank. The Inter-American Development Bank is the hemisphere wide development bank for the region. It’s primarily going into these same things that the Chinese are demanding from the region in terms of exports. They’ve really done their homework. They are investing in large infrastructure projects to help get mining and agricultural products to ports a lot more efficiently. There’s been some investment for port upgrading in logistics, into more iron mines, into oil exploration and oil production. It’s been quite significant. ERIC VAN BEMMEL Are the loans being made across the board or are certain countries being targeted? KEVIN GALLAGHER No. Really the countries where you find the biggest sources of exports to China in those particular commodities exports, it’s really a South America story. The majority of the loans are in South America, although there are some real interesting ones in the Caribbean, as well. Venezuela, Ecuador, Bolivia, Brazil, Argentina, some in Chile, some in the Bahamas are where you’ll find the lion’s share of these loans. ERIC VAN BEMMEL Now, I’ve read that loans come with stricter terms than those from Western countries. How so? KEVIN GALLAGHER Well, on one hand, they don’t. One of the things, it isn’t very popular in the region, are World Bank quote, unquote, conditionalities or International Monetary Fund quote, unquote, conditionalities, which say, hey, if you’re going to get this money from us, we’re going to make you change the way you do your entire economic policy. We’re going to make you sign on to quote, unquote, Washington consensus policies, like liberalising your trade regime or freeing trade and getting the government out economic affairs. Those kind of, quote, policy conditionalities, are nowhere to be seen in Chinese loans to the region. However, they often do come with some strings attached. Sometimes the Chinese required having Chinese firms come and do some of the work and some of them are backed by resources. As a matter of fact, about 54 per cent of all Chinese finance in South America is backed by commodities. What do I mean by that? They’ve done their homework on currency crises in Latin America and they say, rather than getting your pesos every month to pay for this loan, we’d rather you have you pay us back in 100,000 barrels of oil each day. I’ve done a comparative analysis with a woman, Deborah Brautigam, who you spoke of before, a scholar from Johns Hopkins, who has done a lot of this work in Africa. We find that the commodity backed loans, as we call them, in Latin America are even larger than those in Africa. However, in Africa, you find them in oil, in tobacco, in cocoa and even in diamonds. In Latin America, they’re primarily focused on the oil sector. ERIC VAN BEMMEL You mentioned that China provides an alternative to the, sort of, neoliberal prescriptions from Washington and Wall Street and I’ve read that Ecuador, for example, after a loan default was unable to access international capital markets, but could receive hefty Chinese loans. I’m wondering, is this sort of practice of going to China giving up one form of dependency, perhaps, on Western financial help, but it leads to another dependency? KEVIN GALLAGHER There is definitely concern in the region about that. A big part of the loans to Latin America are to Argentina, Venezuela and Ecuador. Two of them, Argentina and Ecuador have defaulted on their loans in the past 15 years. Venezuela hasn’t defaulted so recently, but they clearly have been a place of uncertainty for the international financial markets and therefore, the cost of borrowing has been relatively high for them. So China has certainly offered an alternative to these countries that wouldn’t be able to enter into international capital markets, if it wasn’t for China. What’s interesting in the Ecuador case is because Ecuador started paying the Chinese back, notably through these commodity backed loans, the Chinese, if you - do give you finance and you are that risky, you’re more apt to get one of these commodity backed loans, so that they have a guarantee that they’re going to get something back from you. But after Ecuador started paying the Chinese back, Moody’s came in and actually upgraded their credit rating. ERIC VAN BEMMEL So it’s had a dividend for them on the international credit markets. KEVIN GALLAGHER Yeah. Chinese finance actually ushered Ecuador back into global capital markets quicker than would have occurred without Chinese finance into the region, so it sort of cuts both ways. ERIC VAN BEMMEL Now, turning to foreign direct investment, a 2012 study from Mexico’s National Autonomous University found that the Latin American / Caribbean region has been the leading destination for Chinese foreign direct investment. I imagine that’s mainly in commodities and raw materials development again, as you were saying, but what organisations in China are driving this? KEVIN GALLAGHER Sure. I don’t want to sound like a broken record, but the Chinese have really done their homework there. Trade is in commodities. Their finance is for either extracting the commodities or getting the commodities to ports and they are also supporting Chinese companies to go there and actually do mergers and acquisitions in those very sectors. I have a study coming out soon in 2013 that will provide estimates that say that Chinese companies have about $250 billion worth of finance to their disposal to operate in Latin America and other parts around the world. These are companies like Chinalco, which is a copper mining company. They have some big concessions in Peru. CNOOC is an oil company. Wuhan Iron and Steel, you’ll find them in places like Brazil in the iron sector. In places like Mexico, you find a little bit of manufacturing, like Lenovo and Chery and First Auto Works. There’s some auto companies in Uruguay. ERIC VAN BEMMEL Notably, some of these are state owned enterprises, are they not? KEVIN GALLAGHER The vast majority of them are state owned enterprises. That’s what is a distinctly unique characteristic of Chinese foreign direct investment, relative to global foreign direct investment. Outside of the oil sector, there really isn’t name brand global companies that are owned by states, but in China, the vast majority of foreign firms abroad are state owned. ERIC VAN BEMMEL Does it really matter that a company from China coming into South America is state owned or not, in terms of its influence, in its practices, its political implications for its activities in Latin America? KEVIN GALLAGHER Well, it really depends on a company by company basis. Just because Chinese firms are state owned doesn’t mean they’re all linked to the highest level of governance in China. Different ones have different links and different ones have different behaviours. One of the things that is distinct is state owned enterprise might have more financing to its disposal than an international competitor; might be more apt to get a contract. The second is when there is a conflict, my colleague, Enrique Dussel Peters, who authored that study that you noted, said that that can cut both ways. On one hand, when there is a conflict, say, with indigenous people in Peru with a Chinese firm, it can go straight to the government much quicker than it would with a private firm and therefore, the government can get involved and try to put an end to it or try to negotiate it quicker. But on the other hand, that can also escalate something that might be seen as relatively small. Let’s say, the President of the United States never gets a call about some skirmish in the mountains of Peru, but it might escalate higher, because of the tendrils that many of these firms are part of. ERIC VAN BEMMEL International relations expert Associate Professor Kevin Gallagher is our guest on Up Close this expert, joining us to discuss the many facets of Chinese economic involvement in Latin America. I’m Eric van Bemmel. Now, Kevin, just to go back to this Chinese foreign direct investment, FDI as it’s called, the United Nations Economic Commission for Latin America and the Caribbean has cautioned that FDI, this foreign direct investment, where it’s targeted to is not always clear from official Chinese data. That a lot of the funding tends to be channelled through third countries, such as the Cayman Islands. Why is that? KEVIN GALLAGHER Well, we can’t figure that out. We all, who do this research, consider ourselves economic journalists, just like yourself, Eric, because we’re always trying to figure out where these flows actually go. If you look at the official Chinese data, there’s only about three to five hundred million dollars worth of foreign direct investment from China into Latin America. But we estimate that it’s somewhere between 35 and 75 billion by looking at Central Bank and Finance Ministry reports and actually going and knocking on the doors of actual Chinese plants in the region. Part of it just might be where they happen to finance the deal. So if you finance a deal in Canada, it counts as Canadian FDI, but it’s really for something in the region. They haven’t been too straight on why the data is so inconsistent with what domestic governments compile. But nevertheless, it’s major, it’s fundamental and more and more, you’re seeing Chinese firms in the region, given the fact that many Western firms just don’t have the access to the credit and they’re trying to pack their balance sheets back together after the crisis of 2008. China has really moved into the scene since then. ERIC VAN BEMMEL So how do researchers like yourself then, where do you go for your sources for reliable data? KEVIN GALLAGHER Well, domestic governments are always compiling what they have and so when a firm comes to Toromocho, Peru and they know it’s a $2.2 billion copper mine, they register it as $2.2 billion of foreign direct investment and that’s a real investment that we know is in Peru and that alone swaps the Ministry of Commerce data from China. And so, we tend to build our data from the ground up. ERIC VAN BEMMEL China is la fabrica del mundo or the world’s factory, the factory to the world as we say in English and most countries are aware of this flood of Chinese products coming in shoes and clothing etcetera and Latin America is no exception to that. I imagine that there’s a lot of pressure on local manufacturers to compete or otherwise with China. What’s your take on that? KEVIN GALLAGHER Yeah. Absolutely. I would say the honeymoon period was 2003 till about 2009 or 2010. Latin Americans were just so excited that there was a non-Western growth poll to sell their commodities to and to finally raise the price of a lot of these commodities that had been depressed for such a long period of time. There was pretty much a euphoric feeling about their new trading partner. Now, there’s all this discussion about the need for a balanced relationship, because many countries have a trade deficit with the region. Yes, they’re selling commodities, but they’re importing so many light and low skilled manufacturing products that they have at home that are making it harder for their domestic producers to compete. Many of their domestic producers are putting folks out of work and even more so, if you sell globally, the Chinese are really outcompeting many Latin American companies outside, in the United States market, in the European market. A story that happened in early 2013 is the story about the vueltiao in Colombia. That is an indigenous sombrero that if you go to Colombia, you just have to buy one. Bill Clinton, when he was president, he went to Colombia. He bought one. He had all his photographs taken in it. They’re made by indigenous people. They have a lot of symbolic value. They cost about $20. In late 2012, all of a sudden, there were these Chinese imports that came for four to seven dollars and almost wiped out the vueltiao or the sombrero market. All these indigenous folks really went berserk and it really ran like wildfire throughout the region, because it was so symbolic of things that are either happening or that there’s a lot of concern that they’re going to happen through Chinese imports and the President of Colombia, which you would have to say in South America is perhaps the most free trade oriented President in the region actually threatened to put tariffs on the sombreros and the Chinese backed off and the indigenous people are back to work and selling those sombreros back in the tourist market. Unfortunately, for auto parts and things like that, the Chinese aren’t backing off. That’s their comparative advantage. That’s what they have to offer the world. They say, hey, we’re going to sell you our manufactured products and we’ll buy your iron and it’s your job to diversify your economy. But it’s a real concern in the region. ERIC VAN BEMMEL I want to turn to Mexico, Kevin. It’s a bit of a special case in this conversation about China and Latin America. Unlike countries such as Brazil or Chile, which were able to whether the storm of the 2008 Global Financial Crisis, somewhat thanks to the huge commodities export revenues, Mexico is much more tied and dependent on the United States and they suffered comparatively. Can you tell us what Mexico and how China’s rise fits in with its own recent economic past and future prospects? KEVIN GALLAGHER Sure. Mexico is inextricably linked to the US economy. About 85 to 90 per cent of its exports come to the US and so, when our economy had a major downfall in 2008, so did Mexico. Most of Mexican exports are oil, electronics, say laptops and cars. So when Americans were in really bad shape, 2008, 2009, 2010, what did we do? Say I think I’ll hold on to this laptop for an extra year or I’ll wait an extra year to buy a new car. I’ll drive a little less. Well, all these things really hit Mexico in the pocketbook. So much that it hurt the currency by about 40 per cent and when your currency goes down by 40 per cent and your debts are in dollar, all of a sudden, your debts go up and so the country had a debt crisis and an export crisis and a growth crisis. It was really unfortunate for Mexico. In the meantime, China repegged its exchange rate at what many economists around the world saw as undervalued and exports surged into the region. Myself and some collaborators estimated in 2011 about 94 per cent of all of Mexico’s exports were under threat in the US economy, meaning that either Chinese exports in the same sector, say textiles and clothing were surging into the US economy, while Mexican exports were decreasing their market value. In 2012, 2013, things appear to be picking up a little bit in Mexico. To try to become more competitive, Mexico has supressed wages and tried to get more flexible within the working place, whereas in China, the exchange rate has appreciated by about three per cent a year since the crisis and wages have been going up about 20 per cent a year. So the Mexican and the Chinese wage are starting to converge and given the fact that you have to take a whole shipment of laptops across the Pacific Ocean to get to the United States, there’s obviously that transportation edge that Mexico has always had. And in 2012, 2013, people have started to see Mexico getting some inroads back into the US economy. But we will really have to see. ERIC VAN BEMMEL Kevin, as in Africa, there are large scale infrastructure projects done with Chinese capital. Can you give us some examples of these in Latin America? KEVIN GALLAGHER Sure. While a lot of them are on paper, but some of them haven’t really materialised yet. Perhaps one the biggest ones, a big 10 to 12 billion dollar railway project in Argentina. Argentina hasn’t upgraded its railways since the Peron era. However, local opposition to infrastructure projects through environmentally sensitive areas have limited the ability of that one to get off the ground. All sorts of oil infrastructure projects. Oil exploration in the new Lula fields in Brazil are a big example. Also, major road projects and other rail projects in Venezuela are also under finance right now in Latin America. ERIC VAN BEMMEL I’m Eric van Bemmel and on Up Close this episode we’re speaking with international relations scholar Associate Professor Kevin Gallagher about China’s growing role in the economies of contemporary Latin America. Now, Kevin, the benefits of Chinese overseas investment are visible in the newly energic mining industries in busy ports and in new highways across the developing world. But some argue that Chinese investment is marked by environmental labour and safety violations by corruption and by a lack of socially inclusive growth. What’s your take on these claims? KEVIN GALLAGHER I would have to agree on one level and disagree on another. On the one hand - you know, I’ve done a study on this. On one hand, it’s a little too early to tell. A lot of Chinese foreign investment hasn’t even broken ground. It’s still going through the permitting stage. It’s still under negotiation and we can’t really empirically test their record. I, however, have done a study on the one Chinese plant that’s been in the region since 1992. It’s called Shougang Hierro Peru and they’re an iron mine there and their record has been abysmal. They have record toxic releases, deaths on site in the workplace, numerous human rights violations, lack of ability of either the communities or the workers to have any say in it and so forth. So I, myself, and my colleague, Amos Irwin, did field work there and went and investigated that and indeed, this is a terrible case. What we didn’t appreciate until we compared it with others is that this endemic to this kind of foreign investment in general. We found a Missouri based company named Doe Run in the United States that had just as bad violations. So on the one hand, when we used to debate something called the North American Free Trade Agreement, a free trade agreement between Mexico and the United States, there was a lot of concern that foreign investment might be dirtier when it went to Mexico. But others said, hey, maybe there’ll be what was called a pollution halo effect, because here in the United States, we have higher standards, and we might not bring our strong California based standards to Mexico, but at least we know what we’re doing and they won’t be as bad as the Mexican situation. Well, when you’re dealing with Chinese foreign investment, you don’t have the halo to begin with, because they have lower standards than their South American counterparts at home. The Chinese domestic environmental standards are weaker than their South American counterparts, so they have to learn how to meet standards that are higher than theirs when they go to Peru. So we found it quite striking that even though they have that steeper slope decline, that they were just as bad as US firms, or no worse than US firms, and no worse than a couple of the Peruvian firms. China really needs to clean up its act on this. So do a lot of the other foreign firms, but I see this as the biggest challenge for Latin America in general. Latin America has got to learn how to maximise the benefits from all this new Chinese investment, but they have to do it while mitigating the risk and they can’t go on saying the more quantity of investment that we have, the better at ignoring the quality. What they have to realise is that they have a very strategic set of resources that the Chinese want and there aren’t too many other places in the world where you can get soy beans and iron ore and copper and so forth. And so they should be using that as a lever to say, hey, if you want to come here and exploit copper, you need to meet certain standards. Because this Shougang story in 1992 was so egregious, it’s been really hard for the Chinese to be able to site anything new in the region, because all anyone has to do is show videos and medical records and look at some of the polluted lakes and so forth near the Shougang site. So now, I mentioned earlier, that China is investing a $2.2 billion copper mine in Toromocho, Peru and to try to circumvent some of the problems they had last time, they’re actually building an entire new city called Nueva Morococha. It’s going to displace or move 3500 people to this new city and the Chinese have spent somewhere between 150 to 200 million dollars on building a new house for everybody with running toilets and clean water and health clinics and so forth, which is clearly a major step from what happened in 1992. However, it’s still very controversial. Some people just don’t want to leave their home and the mayor of Morococha says $150 million isn’t enough. At least twice that much is needed to be able to really compensate these folks for what they’ve lost. It’s a little too early to tell to really test this one out, but one thing that is for sure is that the Chinese are willing to negotiate, if you put up a stink, and this Peruvian case is really interesting. You can look at big articles in the Financial Times and The New York Times, which show really interesting pictures of all these new dwellings and so forth. ERIC VAN BEMMEL Now that brings to me the area of image management. What’s China doing about managing its image in Latin America? KEVIN GALLAGHER China’s image is really important to them and they have made more official state visits to the region than any other Western power, that’s for sure. In between, say, 2005 and 2013, Chinese premier have been to the region over and over again. In 2013, President Humala from Peru went to China, was one of the first people to meet the new Chinese leadership and the Chinese are really conscious of their global image. They’re constantly trying to get UN votes. There’s a number of countries in Central America and the Caribbean that still recognise Taiwan, rather than China, at the United Nations. United Nations votes are really important for China, because of Security Council resolutions and about Syria and places like that that are highly contentious in the world right now. While China has oil concessions and doesn’t always see eye to eye on some of the resolutions and so UN votes are important and they try to entice some of these countries to flip their allegiance. Most recently, they flipped Costa Rica. They bought $500 million worth of Costa Rican bonds that no one else was buying in global capital markets and built a huge soccer stadium and Costa Rica said, well, maybe China is more of a sharp place to support at the UN, rather than Taiwan. ERIC VAN BEMMEL Now Kevin, what do China watchers and Latin America watchers in US policy circles have to say about this massive Chinese engagement in the region? KEVIN GALLAGHER Well, there’s two camps. One camp is really nervous. They think that we still live in a world of the Monroe Doctrine and that Latin America is our backyard and all of a sudden, all these countries that have been so economically and politically dependent on the United States over the past 30 or 40 years now have China as their number one trading partner and, of course, you need to make your customers happy. So as tensions rise between the United States and China over our trade, over security in the Pacific and so forth, there’s been an uneasiness that the region may flip more towards the Chinese, rather than us. There’s another camp, which I’d put myself more into, which says that that’s a little far off, but it could plausibly happen and it’s more of a wake up call for the US that we have to stop taking the region for granted. We’ve really been trying to pin the region down to just open up their markets at all costs to them, for our economic benefit. We’ve turned the blind eye for coup d’etat, if it was for a leader that we preferred or that supported US interests and Latin Americans remember that. In 2013, there was the Latin American Population Survey. One in five people in Latin America saw China as the most influential in the region in the world and 63 per cent of Latin Americans saw China in a positive light and that was more than Latin Americans who saw the United States in a positive light. ERIC VAN BEMMEL Finally, Kevin, how clear is it that China’s growing influence in the Latin America and Caribbean region will lead to sustainable, meaningful development? KEVIN GALLAGHER If the Latin Americans capitalise on the new demand for their goods from China and mitigate the risks, China could really help them take their development to the next level. If they could establish means to take the revenue from exports of commodities and support the diversification of employment based industrial growth, while mitigating the environmental risks of natural resource base economic activity, it could be a real path for them for more inclusive and sustainable growth. However, if the region focuses, as it did, from 2005 till, say, 2012 just on [the] more natural resource exploitation the better, then not only will they not get long run growth, there’ll be severe environmental damage and a lot of unhappy generations that will follow. ERIC VAN BEMMEL So in effect you’re saying, to a large extent, it’s in their own hands. KEVIN GALLAGHER I believe it’s in their own hands. ERIC VAN BEMMEL Kevin Gallagher, thanks very much for joining us on Up Close. KEVIN GALLAGHER Thanks for having me, Eric. ERIC VAN BEMMEL

#### And Latin American is the vital internal link into an effective US foreign policy

Barshefsky et al ‘8 (Charlene Barshefsky, James T. Hill, and Shannon K. O’Neil, Council on Foreign Relations, <http://www.cfr.org/mexico/us-latin-america-relations/p16279>, “U.S.-Latin America Relations: A New Direction for a New Reality”, May 2008)

For over 150 years, the Monroe Doctrine provided the guiding principles for U.S. policy toward Latin America, asserting U.S. primacy in the foreign affairs of the region. Over the past two decades, those principles have become increasingly obsolete. Washington’s basic policy framework, however, has not changed sufficiently to reflect the new reality. U.S. policy can no longer be based on the assumption that the United States is the most important outside actor in Latin America. If there was an era of U.S. hegemony in Latin America, it is over. In most respects, this shift reflects positive developments within Latin America itself. The region has undergone a historic transformation politically, with military-authoritarian rule giving way to vibrant, if imperfect, democracy in almost every nation. Economically, Latin America is now one of the more open market regions in the world and a crucial global provider of energy, minerals, and food. None of this is to say that Latin America has entirely overcome its history of political tumult or done enough to alleviate poverty, improve competi- tiveness and human capital, or correct extreme inequality. But it does mean that U.S. policymakers must change the way they think about the region. Latin America is not Washington’s to lose; nor is it Washing- ton’s to save. Latin America’s fate is largely in Latin America’s hands. A failure to acknowledge how Latin Americans define their own challenges has created new political strains in recent years. It has also caused U.S. policymakers to overlook the ways in which the United States can meaningfully contribute to Latin America’s progress—fur- thering the United States’ own interests in the process. By truly beginning to engage Latin America on its own terms, Washington can mark the start of a new era in U.S.-Latin America relations. It is a cliche´ to bemoan Americans’ lack of interest in Latin America. Still, this disinterest remains vexing given the region’s proximity to the United States and the remarkable interconnectedness of U.S. and Latin American economies and societies. In recent years, as Washington’s attention has been focused on crises elsewhere in the world, the connec- tions have only deepened. From 1996 to 2006, total U.S. merchandise trade with Latin America grew by 139 percent, compared to 96 percent 1 for Asia and 95 percent for the European Union (EU). In 2006, the United States exported $223 billion worth of goods to Latin American 2 consumers (compared with $55 billion to China). Latin America is the United States’ most important external source of oil, accounting for nearly 30 percent of imports (compared with 20 percent from the Middle East), as well as its main source of illegal narcotics. And as a result of both conditions in Latin America and demand for workers in the United States, migration from the region has accelerated. Latinos now account for 15 percent of the U.S. population, nearly 50 percent of recent U.S. population growth, and a growing portion of the elector- ate—allowing Latino voters increasingly to shape the U.S. political agenda. Cross-border community and family ties, as well as the Spanish- language media, mean that Latin America remains part of many Latinos’ daily lives and concerns. For all of these reasons, Latin America’s well- being directly affects the United States. But even with such integration, the opening of Latin American economies and the globalization of Latin American societies means that U.S. policy is now but one of several competing factors capable of influencing the region. Latin American states, especially the larger ones, do not consider their interests to be primarily determined by diplomatic, trade, or security ties with the United States. Brazil has made inroads into groupings such as the South-South Dialogue with South Africa and India and the Group of 20 (G20), while countries such as Chile and Mexico have struck trade and investment agreements with the EU and a number of Asian countries, China most prominently. The economic and political diversification of Latin America is reflected in Latin American attitudes as well. Esteem for U.S. global and hemispheric leadership is at its lowest level in the region in recent memory. In 2002, according to the Pew Global Attitudes Project, 82 percent of Venezuelans, 34 percent of Argentineans, and 51 percent of Bolivians had a favorable view of the United States; those numbers had fallen to 56, 16, and 43 percent by 2007. The percentage of Latin Americans who approved of U.S. ideas on democracy decreased from 3 45 percent in 2002 to 29 percent in 2007. This general distrust of the United States has allowed Presidents Hugo Cha´vez of Venezuela, Evo Morales of Bolivia, Rafael Correa of Ecuador, and even Felipe Caldero´n of Mexico to bolster their domestic popular support by criticizing Washington. Most Latin Americans still prefer a mutually respectful and productive relationship with the United States, but the factors driving Latin America’s desire for greater independence are likely to shape the region’s posture toward the United States well into the future.

#### Hegemony is the meta-impact

Brooks, Ikenberry, and Wohlforth ’13 (Stephen, Associate Professor of Government at Dartmouth College, John Ikenberry is the Albert G. Milbank Professor of Politics and International Affairs at Princeton University in the Department of Politics and the Woodrow Wilson School of Public and International Affairs, William C. Wohlforth is the Daniel Webster Professor in the Department of Government at Dartmouth College “Don’t Come Home America: The Case Against Retrenchment,” International Security, Vol. 37, No. 3 (Winter 2012/13), pp. 7–51)

A core premise of deep engagement is that it prevents the emergence of a far more dangerous global security environment. For one thing, as noted above, the United States’ overseas presence gives it the leverage to restrain partners from taking provocative action. Perhaps more important, its core alliance commitments also deter states with aspirations to regional hegemony from contemplating expansion and make its partners more secure, reducing their incentive to adopt solutions to their security problems that threaten others and thus stoke security dilemmas. The contention that engaged U.S. power dampens the baleful effects of anarchy is consistent with influential variants of realist theory. Indeed, arguably the scariest portrayal of the war-prone world that would emerge absent the “American Pacifier” is provided in the works of John Mearsheimer, who forecasts dangerous multipolar regions replete with security competition, arms races, nuclear proliferation and associated preventive war temptations, regional rivalries, and even runs at regional hegemony and full-scale great power war. 72 How do retrenchment advocates, the bulk of whom are realists, discount this benefit? Their arguments are complicated, but two capture most of the variation: (1) U.S. security guarantees are not necessary to prevent dangerous rivalries and conflict in Eurasia; or (2) prevention of rivalry and conflict in Eurasia is not a U.S. interest. Each response is connected to a different theory or set of theories, which makes sense given that the whole debate hinges on a complex future counterfactual (what would happen to Eurasia’s security setting if the United States truly disengaged?). Although a certain answer is impossible, each of these responses is nonetheless a weaker argument for retrenchment than advocates acknowledge. The first response flows from defensive realism as well as other international relations theories that discount the conflict-generating potential of anarchy under contemporary conditions. 73 Defensive realists maintain that the high expected costs of territorial conquest, defense dominance, and an array of policies and practices that can be used credibly to signal benign intent, mean that Eurasia’s major states could manage regional multipolarity peacefully without the American pacifier. Retrenchment would be a bet on this scholarship, particularly in regions where the kinds of stabilizers that nonrealist theories point to—such as democratic governance or dense institutional linkages—are either absent or weakly present. There are three other major bodies of scholarship, however, that might give decisionmakers pause before making this bet. First is regional expertise. Needless to say, there is no consensus on the net security effects of U.S. withdrawal. Regarding each region, there are optimists and pessimists. Few experts expect a return of intense great power competition in a post-American Europe, but many doubt European governments will pay the political costs of increased EU defense cooperation and the budgetary costs of increasing military outlays. 74 The result might be a Europe that is incapable of securing itself from various threats that could be destabilizing within the region and beyond (e.g., a regional conflict akin to the 1990s Balkan wars), lacks capacity for global security missions in which U.S. leaders might want European participation, and is vulnerable to the influence of outside rising powers. What about the other parts of Eurasia where the United States has a substantial military presence? Regarding the Middle East, the balance begins to swing toward pessimists concerned that states currently backed by Washington— notably Israel, Egypt, and Saudi Arabia—might take actions upon U.S. retrenchment that would intensify security dilemmas. And concerning East Asia, pessimism regarding the region’s prospects without the American pacifier is pronounced. Arguably the principal concern expressed by area experts is that Japan and South Korea are likely to obtain a nuclear capacity and increase their military commitments, which could stoke a destabilizing reaction from China. It is notable that during the Cold War, both South Korea and Taiwan moved to obtain a nuclear weapons capacity and were only constrained from doing so by a still-engaged United States. 75 The second body of scholarship casting doubt on the bet on defensive realism’s sanguine portrayal is all of the research that undermines its conception of state preferences. Defensive realism’s optimism about what would happen if the United States retrenched is very much dependent on its particular—and highly restrictive—assumption about state preferences; once we relax this assumption, then much of its basis for optimism vanishes. Specifically, the prediction of post-American tranquility throughout Eurasia rests on the assumption that security is the only relevant state preference, with security defined narrowly in terms of protection from violent external attacks on the homeland. Under that assumption, the security problem is largely solved as soon as offense and defense are clearly distinguishable, and offense is extremely expensive relative to defense. Burgeoning research across the social and other sciences, however, undermines that core assumption: states have preferences not only for security but also for prestige, status, and other aims, and they engage in trade-offs among the various objectives. 76 In addition, they define security not just in terms of territorial protection but in view of many and varied milieu goals. It follows that even states that are relatively secure may nevertheless engage in highly competitive behavior. Empirical studies show that this is indeed sometimes the case. 77 In sum, a bet on a benign postretrenchment Eurasia is a bet that leaders of major countries will never allow these nonsecurity preferences to influence their strategic choices. To the degree that these bodies of scholarly knowledge have predictive leverage, U.S. retrenchment would result in a significant deterioration in the security environment in at least some of the world’s key regions. We have already mentioned the third, even more alarming body of scholarship. Offensive realism predicts that the withdrawal of the American pacifier will yield either a competitive regional multipolarity complete with associated insecurity, arms racing, crisis instability, nuclear proliferation, and the like, or bids for regional hegemony, which may be beyond the capacity of local great powers to contain (and which in any case would generate intensely competitive behavior, possibly including regional great power war). Hence it is unsurprising that retrenchment advocates are prone to focus on the second argument noted above: that avoiding wars and security dilemmas in the world’s core regions is not a U.S. national interest. Few doubt that the United States could survive the return of insecurity and conflict among Eurasian powers, but at what cost? Much of the work in this area has focused on the economic externalities of a renewed threat of insecurity and war, which we discuss below. Focusing on the pure security ramifications, there are two main reasons why decisionmakers may be rationally reluctant to run the retrenchment experiment. First, overall higher levels of conflict make the world a more dangerous place. Were Eurasia to return to higher levels of interstate military competition, one would see overall higher levels of military spending and innovation and a higher likelihood of competitive regional proxy wars and arming of client states—all of which would be concerning, in part because it would promote a faster diffusion of military power away from the United States. Greater regional insecurity could well feed proliferation cascades, as states such as Egypt, Japan, South Korea, Taiwan, and Saudi Arabia all might choose to create nuclear forces. 78 It is unlikely that proliferation decisions by any of these actors would be the end of the game: they would likely generate pressure locally for more proliferation. Following Kenneth Waltz, many retrenchment advocates are proliferation optimists, assuming that nuclear deterrence solves the security problem. 79 Usually carried out in dyadic terms, the debate over the stability of proliferation changes as the numbers go up. Proliferation optimism rests on assumptions of rationality and narrow security preferences. In social science, however, such assumptions are inevitably probabilistic. Optimists assume that most states are led by rational leaders, most will overcome organizational problems and resist the temptation to preempt before feared neighbors nuclearize, and most pursue only security and are risk averse. Confidence in such probabilistic assumptions declines if the world were to move from nine to twenty, thirty, or forty nuclear states. In addition, many of the other dangers noted by analysts who are concerned about the destabilizing effects of nuclear proliferation—including the risk of accidents and the prospects that some new nuclear powers will not have truly survivable forces—seem prone to go up as the number of nuclear powers grows. 80 Moreover, the risk of “unforeseen crisis dynamics” that could spin out of control is also higher as the number of nuclear powers increases. Finally, add to these concerns the enhanced danger of nuclear leakage, and a world with overall higher levels of security competition becomes yet more worrisome. The argument that maintaining Eurasian peace is not a U.S. interest faces a second problem. On widely accepted realist assumptions, acknowledging that U.S. engagement preserves peace dramatically narrows the difference between retrenchment and deep engagement. For many supporters of retrenchment, the optimal strategy for a power such as the United States, which has attained regional hegemony and is separated from other great powers by oceans, is offshore balancing: stay over the horizon and “pass the buck” to local powers to do the dangerous work of counterbalancing any local rising power. The United States should commit to onshore balancing only when local balancing is likely to fail and a great power appears to be a credible contender for regional hegemony, as in the cases of Germany, Japan, and the Soviet Union in the midtwentieth century. The problem is that China’s rise puts the possibility of its attaining regional hegemony on the table, at least in the medium to long term. As Mearsheimer notes, “The United States will have to play a key role in countering China, because its Asian neighbors are not strong enough to do it by themselves.” 81 Therefore, unless China’s rise stalls, “the United States is likely to act toward China similar to the way it behaved toward the Soviet Union during the Cold War.” 82 It follows that the United States should take no action that would compromise its capacity to move to onshore balancing in the future. It will need to maintain key alliance relationships in Asia as well as the formidably expensive military capacity to intervene there. The implication is to get out of Iraq and Afghanistan, reduce the presence in Europe, and pivot to Asia— just what the United States is doing. 83 In sum, the argument that U.S. **security** commitments are unnecessary **for peace** is countered by a lot of scholarship, including highly influential realist scholarship. In addition, the argument that Eurasian peace is unnecessary for U.S. security is weakened by the potential for a large number of nasty security consequences as well as the need to retain a latent onshore balancing capacity that dramatically reduces the savings retrenchment might bring. Moreover, switching between offshore and onshore balancing could well be difªcult. Bringing together the thrust of many of the arguments discussed so far underlines the degree to which the case for retrenchment misses the underlying logic of the deep engagement strategy. By supplying reassurance, deterrence, and active management, the United States lowers security competition in the world’s key regions, thereby preventing the emergence of a hothouse atmosphere for growing new military capabilities. Alliance ties dissuade partners from ramping up and also provide leverage to prevent military transfers to potential rivals. On top of all this, the United States’ formidable military machine may deter entry by potential rivals. Current great power military expenditures as a percentage of GDP are at historical lows, and thus far other major powers have shied away from seeking to match top-end U.S. military capabilities. In addition, they have so far been careful to avoid attracting the “focused enmity” of the United States. 84 All of the world’s most modern militaries are U.S. allies (America’s alliance system of more than sixty countries now accounts for some 80 percent of global military spending), and the gap between the U.S. military capability and that of potential rivals is by many measures growing rather than shrinking. 85

#### US Trade leadership is critical to multilateral trade – which solves all global problems

Panitchpakdi ‘4 (Supachai Panitchpakdi, secretary-general of the UN Conference on Trade and Development, 2/26/2004, American Leadership and the World Trade Organization, p. http://www.wto.org/english/news\_e/spsp\_e/spsp22\_e.htm

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.

## Case

### 2AC- Politics Thumper

#### And Obama has already stuck out his neck- security

Shoichet 5/2 (Catherine E. Shoichet, CNN, ‘U.S., Mexican presidents push deeper economic ties; security issues still key”, <http://www.cnn.com/2013/05/02/world/americas/mexico-obama-visit>, May 2, 2013)

(CNN) -- Two issues -- security and immigration -- often get too much attention when it comes to talking about the U.S.-Mexico relationship, U.S. President Barack Obama said Thursday. Now, Obama said, it's time to forge deeper economic connections to create more jobs and more trade on both sides of the border. "That's the focus of my visit," he told reporters after meeting with Mexican President Enrique Peña Nieto in the country's capital. But even as Obama and Peña Nieto pushed to shift the tone more toward trade and economics, security issues loomed large over Thursday's meeting. Obama visiting major trade partners Obama faces reality in Mexico drug war Peña Nieto said his government remains committed to fighting organized crime, but that the United States and Mexico must "cooperate on the basis of mutual respect, to be more efficient in our security strategy that we are implementing in Mexico." Obama stressed that the countries will continue to cooperate closely on security, but he didn't specify how. "I agreed to continue our close cooperation on security, even as that nature of that close cooperation will evolve," he said. It's up to the Mexican people, Obama said, "to determine their security structures and how it engages with other nations, including the United States." In the meantime, he said, the United States remains committed to reducing the demand for drugs north of the border, and the southward flow of illegal guns and cash that help fuel violence. "I think it's natural that a new administration here in Mexico is looking carefully at how it's going to approach what is obviously a serious problem," Obama said, "and we are very much looking forward to cooperating in any ways that we can to battle organized crime."

### 2AC- Economic Engagement Thumper

#### US increasing economic engagement with Mexico now- thumps the disad

Stras ’13 (Marcy Stras, JD Supra Law News Reporter, “The U.S. Mission in Mexico Increases Corporate Eligibility to Participate in its Business Facilitation Program”, <http://www.jdsupra.com/legalnews/the-us-mission-in-mexico-increases-cor-13097/>, January 15, 2013)

The United States Embassy in Mexico city announced the expansion of its Business Facilitation Program (BFP) that allows access to expedited visa processing for employees of qualifying firms traveling to the U.S. on company business. The BFP provides time-saving benefits for businesses whose employees need to travel to the U.S., and highlights the United States’ commitment to deepening trade and economic engagement with Mexico. The BFP is open throughout Mexico and is available at all U.S. Consulates and the Embassy. However, the BFP requires interested firms to register with the U.S. Embassy’s or Consulates’ Consular Section. According to the announcement:

### 2AC- Mexico/US Energy Thumper

#### Obama increasing energy cooperation now with Mexico

SmartGrid ’13 (Smart-Grid.com, State Department Release, “President Obama and Leaders of Mexico and Central America Expand Low Carbon Electricity Cooperation”, <http://smart-grid.tmcnet.com/news/2013/05/06/7113437.htm>, May 6, 2013)

May 06, 2013 (STATE DEPARTMENT RELEASE/ContentWorks via COMTEX) -- President Obama and Leaders of Mexico and Central America Expand Low Carbon Electricity Cooperation Fact Sheet Office of the Spokesperson Washington, DC May 4, 2013 During his May 2-4 visit to Mexico and Costa Rica, President Obama met with heads of state of Central America, Mexico, and the Dominican Republic to discuss U.S. economic engagement and the Connecting the Americas 2022 (Connect 2022) initiative, launched by Colombia at the 2012 Summit of the Americas. As a key component of the Energy and Climate Partnership of the Americas, Connect 2022 seeks to provide, within a decade, all citizens of the hemisphere with access to reliable, clean, and affordable electricity through increased electrical interconnection. High electricity prices in Central America undermine investment and jobs and affect the lives of all citizens. With Mesoamerica's rich geothermal, solar, wind, and hydropower resources, a diversified, lower carbon power sector can counteract these challenges. Story continues below ↓ \*Interconnection creates larger markets that can help attract the $25 billion in power sector investments needed in Central America by 2030. Through the Central American Electrical Interconnection System (SIEPAC) project -- which connects Central American electricity grids from Guatemala to Panama -- a vibrant electricity market bringing additional economic opportunity, clean energy investment, and energy security to the region will soon be a reality. To advance this shared objective, leaders agreed to convene a Connect 2022 Mesoamerican ministerial in June 2013, hosted by the Inter-American Development Bank (IDB) in Washington, D.C., at which Deputy Secretary of State William J. Burns will deliver a keynote address. \*The United States is supporting these efforts. U.S. companies are now associated with over 4 gigawatts (GW) lower carbon generation capacity in Mesoamerica. Since 2010, the U.S. Trade and Development Agency (USTDA) has invested in eight clean energy activities in Mexico and Central America, including support for feasibility studies, pilot projects, study tours, and other technical assistance. The Overseas Private Investment Corporation (OPIC) and Export-Import (EXIM) Bank of the United States are tracking potentially several hundred million dollars in new clean energy investments in the region: \*A $29 million loan from EXIM to a Honduran company will expand generation at the Cerro de Hula Wind Farm, using equipment manufactured in Pennsylvania; \*U.S.-based Sempra Energy plans to begin construction soon on a 156 megawatts (MW) wind farm in Baja California, which will send clean renewable energy to San Diego; \*A 120 MW plant being developed in northern Mexico would use U.S. natural gas and Mexico's transmission grid to send cleaner electricity to Guatemala; and \*Nevada's Ormat Technologies, Inc. will soon break ground on a 35 MW geothermal plant -- Honduras' first. Ormat also operates and plans to expand on plants in Guatemala.

### AT: THA Solves the Aff

#### U.S. ratification won’t happen now

Meggaro ’12 – editor of Mexico Oil & Gas Review

(Karim, former project director at Focus Reports, “US and Mexico sign Transboundary Hydrocarbons Agreement”, Mexico Oil & Gas Review, 2-24-2012, http://www.oilandgasmexico.com/2012/02/24/us-and-mexico-sign-transboundary-hydrocarbons-agreement/)

Importantly, one of the key features of the transboundary agreement is laying out safety cooperation. Only last week, we featured a post regarding safety concerns over deepwater exploration. This new accord will allow for joint inspection teams to ensure compliance with safety and environmental regulations, a key step in helping Mexico to learn how to deal with the worst-case scenarios that are so key to deepwater projects after the Macondo spill. This agreement brings a conclusion to the project launched by both governments in 2010 to find a way to develop reserves close to the maritime border under an arrangement that respected the legal framework of both countries. However, the agreement will need to be ratified by both governments before it passes into law. Given the importance of energy in the 2012 presidential elections in Mexico, it will be interesting to see how the Mexican Congress receives the legislation. Also, given the public concern over deepwater drilling in the US, Congress and Senate might be hesitant for the electorate to see them pass a bill that will allow increased deepwater activity so soon after the Macondo accident.

### Plan Increases US/Mexican Relations

#### Energy sector gains increase US-Mexico relations

Taylor ’13 (Guy Taylor, The Washington Times, “Energy links seen boosting U.S. ties to Mexico”, <http://www.washingtontimes.com/news/2013/feb/28/energy-links-seen-boosting-us-ties-mexico/>, February 28, 2013)

A senior Obama administration official voiced optimism about the growing economic relationship between the U.S. and Mexico, stressing that energy sector ties between the two nations have “enormous potential for progress.” Assistant Secretary of State Roberta S. Jacobson told a congressional hearing Thursday that Washington’s overall approach to Latin American ties “is as much about seizing opportunities as it is about countering threats.” Her remarks during a hearing of the House Committee on Foreign Affairs dovetailed with comments this week from a top Mexican official, who expressed optimism that the nation’s state-run oil monopoly, long managed as a closely held national asset, is on the verge of opening up to billions of dollars in foreign investment. Emilio Lozoya, the newly tapped chief of the monopoly — known as Pemex — told the Financial Times that he expects Mexican lawmakers to sign off as early as this summer on landmark changes to the sector proposed by recently elected Mexican President Enrique Pena Nieto. Pemex is already ranked seventh on the list of the world’s most productive oil producers, with sales of more than $100 billion a year. The proposed reforms could pave the way for U.S. oil companies to begin tapping that market and helping it grow. According to Mr. Lozoya, the changes would allow the monopoly to begin working for the first time in more than 50 years with the world’s largest oil companies. Several such companies are based in Texas, just north of the border. The potential for foreign firms to become more deeply involved in Mexico’s economic future could signal a significant shift in the narrative of crime and illegal immigration that has dominated relations between the U.S. and its southern neighbor — particularly since nearly 60,000 people were killed in drug-related violence in Mexico during recent years.

## Off Case

### 2AC T =/= Engagement

#### We meet-

#### Technical cooperation

CDKN No Date (Climate & Development Knowledge Network, “Brazil’s economic engagement with Africa”, <http://cdkn.org/resource/brazils-economic-engagement-with-africa/>, No Date)

Brazil’s economic engagement with Africa. Africa offers Brazil an opportunity to expand its bilateral technical cooperation and to revolutionise renewable energy production – in particular biofuels, where it has assumed a global leadership. Given Brazil’s technical expertise in a range of areas relevant to Africa’s development needs (e.g. agricultural research, social protection, anti-retroviral treatment), it can play an important role in contributing to the continent’s socioeconomic development. This paper explores both the current nature and possible future orientations of Brazil’s economic, commercial and financial relationships with the African countries. The focus of the paper is to assess the volume and trend of trade commodities between Brazil and African countries; to determine the nature of Brazilian investments in Africa; and to scope the benefits of Brazil’s technical cooperation.

#### Energy

Sullivan ‘8 (Daniel S. Sullivan, Assistant Secretary for the Bureau of Economic, Energy, and Business Affairs, Statement Before the Subcommittee on the Western Hemisphere of the House Committee on Foreign Affairs, “Addressing Energy Issues In The Western Hemisphere”, Press Release: US State Department, <http://www.scoop.co.nz/stories/WO0808/S00038.htm>, August 4, 2008)

Our two countries have also benefited from a candid exchange of views on biofuels through other channels, including the U.S. - Brazil CEO Forum, and meetings of business people, academics, and citizens groups. With Assistant Secretary of State for Western Hemisphere Affairs Tom Shannon, I co-chair an Economic Partnership Dialogue with Brazil. Other members of the economic team at the State Department also have traveled on numerous missions to Brazil to talk with government and business groups about the whole range of our economic engagement, including biofuels. The Deputy Secretary of Energy departs for Brazil shortly to continue this broad and deep engagement.

#### Infrastructure

Ministry of Foreign Affairs of Japan ’10 (“Joint Statement Vision for Japan-India Strategic and Global Partnership in the Next Decade”, <http://www.mofa.go.jp/region/asia-paci/india/pm1010/joint_st.html>, October 25, 2010)

The two Prime Ministers expressed satisfaction at the steady growth of political exchanges, dialogue and policy coordination at all levels. They positively evaluated Ministerial-level annual dialogues and exchanges between Foreign Minister, Defense Minister and Minister of Economy, Trade and Industry of Japan and External Affairs Minister, Defense Minister, Commerce and Industry Minister and Deputy Chairman of the Planning Commission of India and noted that all these exchanges were successfully accomplished in 2010. They also supported the establishment of a Ministerial Level Economic Dialogue between Japan and India to give strategic and long-term policy orientation to their bilateral economic engagement, taking into account the regional and global context and to coordinate economic issues of cross-cutting nature, including infrastructure development and financing. They welcomed the launch of the '2 plus 2' dialogue at Subcabinet / Senior Official level and the launch of a dialogue on Africa at the official level in 2010 as a reflection of wider policy consultation and coordination on foreign policy and security issues.

The two Prime Ministers welcomed the successful conclusion of negotiations on a balanced and mutually beneficial Japan-India Comprehensive Economic Partnership Agreement (CEPA). They directed their relevant authorities to work towards early entry into force of CEPA and its smooth implementation. They expressed optimism that Japan-India CEPA will deepen their economic engagement, in terms of trade in goods and services, investment and cooperation and contribute to mutual prosperity. They hailed CEPA between these two leading economies of Asia as an important step forregional integration. They noted with satisfaction the recent growth in Japanese foreign direct investment (FDI) into India and hoped that CEPA and the Memorandum on Simplifying Visa Procedures, the latter signed today, will further facilitate the presence of Japanese businesspersons in India.

#### Counter interpretation: State Department’s definition

State No Date (State Department of the USA, http://2001-2009.state.gov/e/eeb/92986.htm)

What is Total Economic Engagement?

Total Economic Engagement seeks to integrate and coordinate all U.S. economic instruments and programs into our regional and country strategies. The Bureau of Economic, Energy and Business Affairs’ (EEB) broad cross-section of economic disciplines, interagency contacts, and expertise in such areas as trade, finance, energy, development, transportation, and telecommunications help ensure this coordination.

#### Prefer our interpretation: Aff ground should outweigh limits- 3 countries means the negative has sufficient generic ground and checks limits explosion- mechanism diversity is vital for affirmative ground. Ours is from a government source and has an intent to define

#### And default to reasonability- good is good enough

#### We are predictability

Baschard ’13 (http://bauscharddebate.com/2013/03/defining-economic-engagement/)

What issues can be covered by economic engagement?

The core question here is how the term “economic” limits the topic beyond what would be true if the topic simply said “increase its engagement with…” Obviously, the term “economic” limits the type of engagement, but contextual usage evidence doesn’t suggest that there is too much of a limit. I’ve found contextual evidence that supports including all of the following in economic engagement

- Trade

- Information technology

- Investment

- General environmental issues

- Forest and wetland conservation

- Water and air quality

- Small & Medium-sized enterprises (SMEs)

- Health care

- Clean energy, including renewable energy

- Electricity production and transmission

- Nuclear power

- General energy security

- Defense and security

- Economic development

- Intellectual property

- Reducing corruption

- Food regulation

- Environmental regulation

How does the US engage?

As noted, this question is also related to the third question because whether or not engagement can (or should) include a quid pro quo is a how question related to engagement. I separated them because the conditionality question applies to all other how issues and is really a core question about the types of acceptable Negative counterplans. For example, the US might engage by providing foreign aid, but whether or not that aid can or should be delivered as part of a quid pro quo is a separate question.

In terms of specific mechanisms for engagement, contextual evidence exists for engaging in all of the following ways –

-Official contacts with the government

-Academic exchanges

-Two track dialogue(s)

-Development programs (foreign aid)

-Providing loans

-Working through non-governmental organizations (NGOS)

-Enabling International Financial Institutions (IFIs) to support work in the topic countries

-Negotiating trade agreements and facilitating trade ties

-Developing standards and practices for businesses

-Using the US Agency for International Development (AID) to support business development

-Encouraging other countries to reduce trade barriers

-Providing visas to individuals in other countries (this was an entire college resolution!)

-Supporting increased investment

-Helping US companies navigate the business climate

-Strengthening measures to protect intellectual property

-Encouraging countries to invest in the US

-Integrating countries into the global economic system

-Reduction in sanctions and other trade barriers

-Facilitating action by IFIs

-Boosting capital investment

-Supporting joint technology development

-Providing technical cooperation on energy environment

-Facilitating the development of regulation

### Plan Popular

#### Energy cooperation with Mexico bipartisan

Crooks and Thomson ’12 (Ed and Adam, “US and Mexico in landmark oil deal”, Financial Times, 2-20-2012, <http://www.ft.com/intl/cms/s/0/0e0d550a-5bec-11e1-841c-00144feabdc0.html#axzz2AFfRW5yA>)

However, the agreement is a signal of the commitment by the US and Mexico to accelerate the development of their resources. It also includes a plan for joint safety inspections by US and Mexican regulators of oil and gas projects along the maritime boundary, a priority for the US following the 2010 Deepwater Horizon disaster. Most analysts agree that increased US oil production would have little effect on fuel prices, which are set in world markets. But, the rising price of petrol in the US, driven by tension with Iran, has become an issue that is being highlighted by Republicans. That has added to the pressure on the Obama administration to be seen to be moving to help increase oil supplies. Ken Salazar, US secretary of the interior, described the deal as a “win-win” for the US and Mexico. The agreement follows a joint commitment made in May 2010 by Barack Obama, US president, and Felipe Calderón, president of Mexico. The Obama administration has been pushing for increased oil and gas production in the US, albeit not at the pace sought by the industry and many Republicans. The administration was criticised for suspending deepwater drilling in the gulf for six months after the BP spill, and for regulators’ slow pace in subsequently issuing permits. However, the administration has since moved to sell more drilling rights in the gulf, and is on track to allow oil exploration in the Arctic waters of Alaska this summer.

### 2AC Private Counterplan

#### Perm do both

#### Counterplan doesn’t solve

1. Doesn’t solve European modeling- lack of US government policy action causes a halt in European production
2. Doesn’t solve Mexico stability- Mexico lacks capital to invest- only US government can supply necessary funding
3. Doesn’t solve Latin American rise- doesn’t send the signal/perception of US involvement in Latin America- private companies are insufficient signal

#### And double bind: either it doesn’t solve perception or it links to the politics disad

#### No solvency: their evidence shows the counterplan is the squo- is being done now but not working

#### Absent the plan- regulatory hurdles mean counterplans can’t solve- federal agencies key

Wood ’13 (Duncan Wood, the Director of the Mexico Institute at the Woodrow Wilson International Center for Scholars, For 17 years, Dr. Wood was a professor and the director of the International Relations Program at the Instituto Tecnológico Autónomo de México (ITAM) in Mexico City, His research focuses on Mexican energy policy and North American relations, “Growing Potential for U.S. - Mexico Energy Cooperation”, January 2013)

The last major area for hydrocarbons cooperation between the U.S. and Mexico concerns regulation . As Mexico contemplates the opening of its oil and gas industries, an issue of considerable concern is that of strengthening the regulatory agency, the Comisión Nacional de Hidrocarburos (CNH) and of designing national regulations that will provide a level playing field between public and private sector actors, and will ensure the efficient and safe functioning of the industry. Of particular concern, given the experience of recent years, is to guarantee environmental protection and operationa l safety, especially in deep water exploration and production (E&P). Institutional ties between the CNH and U.S. regulatory agencies have been slowly developing since the creation of the Comisión in 2009, and were particularly important in the context of t he Transboundary Hydrocarbons Agreement. It is imperative that this cooperation is consolidated and strengthened into the future, and offers a low cost opportunity in one of the least sensitive areas of the Mexican oil and gas sector.

### 2AC States Counterplan

#### Perm do both

#### Counterplan doesn’t solve

1. Doesn’t solve European modeling- lack of US government policy action causes a halt in European production
2. Doesn’t solve Mexico stability- Mexico lacks capital to invest- only US government can supply necessary funding
3. Doesn’t solve Latin American rise- doesn’t send the signal/perception of US involvement in Latin America- private companies are insufficient signal

#### And double bind: either it doesn’t solve perception or it links to the politics disad

#### Absent the plan- regulatory hurdles mean counterplans can’t solve- federal agencies key

Wood ’13 (Duncan Wood, the Director of the Mexico Institute at the Woodrow Wilson International Center for Scholars, For 17 years, Dr. Wood was a professor and the director of the International Relations Program at the Instituto Tecnológico Autónomo de México (ITAM) in Mexico City, His research focuses on Mexican energy policy and North American relations, “Growing Potential for U.S. - Mexico Energy Cooperation”, January 2013)

The last major area for hydrocarbons cooperation between the U.S. and Mexico concerns regulation . As Mexico contemplates the opening of its oil and gas industries, an issue of considerable concern is that of strengthening the regulatory agency, the Comisión Nacional de Hidrocarburos (CNH) and of designing national regulations that will provide a level playing field between public and private sector actors, and will ensure the efficient and safe functioning of the industry. Of particular concern, given the experience of recent years, is to guarantee environmental protection and operationa l safety, especially in deep water exploration and production (E&P). Institutional ties between the CNH and U.S. regulatory agencies have been slowly developing since the creation of the Comisión in 2009, and were particularly important in the context of t he Transboundary Hydrocarbons Agreement. It is imperative that this cooperation is consolidated and strengthened into the future, and offers a low cost opportunity in one of the least sensitive areas of the Mexican oil and gas sector.

#### 50 States Fiat is bad-

#### It has never happened before- means no literature- no potential for education or reciprocal debates- jacks fairness- no evidence assumes all 50 actors- this also means we don’t engage in rational policy making which is the most important form of education- its not a real-world solution

### 2AC Mexico Spending Disad

#### Mexican infrastructure spending inevitable

Case ’12 (Brendan Case, Bloomberg, “ICA CEO Sees Mexico Infrastructure Spending Rising by 56%”, <http://www.bloomberg.com/news/2012-09-17/ica-ceo-sees-mexico-infrastructure-spending-rising-by-56-.html>, September 17, 2012)

Annual infrastructure spending in Mexico could climb as much as 56 percent to $70 billion in the coming years as the country plows more money into roads, ports, water projects, and oil and gas, said Alonso Quintana, chief executive officer of Empresas ICA SAB. (ICA\*) Economic growth and financial stability could help Mexico boost infrastructure investment by as much as two percentage points of gross domestic product, from the current level of $45 billion to $50 billion a year, Quintana said today in an interview after participating in a Bloomberg CEO Roundtable in Mexico City. “We’ve been in the range of about 4.5 to 5 percent of GDP these past years, it’s been quite good actually,” Quintana said. “I think we can go to $70 billion a year of investment in infrastructure.” Expectations of heightened spending on construction have fueled a 43 percent gain in ICA’s stock price this year through Sept. 14, the sixth-largest gain in the IPC index of 35 Mexican stocks. ICA, the nation’s largest construction company, has benefited from speculation that President-elect Enrique Pena Nieto, who takes office Dec. 1, will boost investment in infrastructure projects.

### 2AC Oil Disad

#### No Link- Mexico doesn’t affect global markets

Barnes ’12 – Bonner Means Baker Fellow (Joe, “The Future of Oil in Mexico: Oil and U.S.-Mexico Bilateral Relations”, James Baker III Institute for Public Policy at Rice University, 4-29-2011)

Still, it is important to put the projected decline in Mexican oil production into perspective. Mexico may be an important producer, but its petroleum output represents less than 5% of the world total. In terms of the Western Hemisphere, any decline in its production over the next 25 years is likely to offset by increased productions elsewhere, notably Brazil and Canada. An eventual turnaround in Venezuelan production—almost certainly associated with Hugo Chavez’s exit from power—is also possible. Venezuela, unlike Mexico, possesses vast oil reserves; it could, under the right circumstances, significantly increase its output. Venezuela, not Mexico, today surely represents the great “lost opportunity” of hemispheric petroleum production. Opening up additional U.S. coastal areas and nature preserves in Alaska could also help partially offset the decline in Mexico. By way of yet another comparison: The projected decline in Mexican production is significantly less than the decline in North Sea production between 1999 and 2007. This is not to downplay the importance for the United States of volume and diversity of supply to world oil markets. It does suggest, however, that the slow decline of Mexican production is unlikely to precipitate a crisis in international oil markets. This is particularly true as many observers are already predicting decreasing Mexican output. World markets are well aware of the troubled condition of Mexico’s oil sector. The only surprise would be if Mexico were to *increase* its petroleum output.

## Adv 1 Addon

### US Production Addon: Manuf/ Hegemony

#### Manufacturing is the basis of competitiveness- tech and hegemony

Boushey ‘12 (Heather Boushey, Senior Economist, Center for American Progress Action Fund, July 19th, 2012, "Testimony before the U.S. House of Representatives Committee on Ways and Meanson Tax Reform and the U.S. Manufacturing Sector" waysandmeans.house.gov/uploadedfiles/boushey\_testimony.pdf)

Having a strong manufacturing industry in the United States should be at the top of our national economic agenda. Without a vibrant and innovative manufacturing base, we will not be a global leader for long. Moreover, as more of our energy future will rely on high-tech manufacturing, our economic competitiveness will be even more closely aligned with our ability to be an innovator and producer of manufactured goods.¶ Further, this is an urgent national issue and one of those cases where success begets success. Economists have begun to study and show that the “industrial commons” matters for innovation and the extent to which we allow manufacturing processes to continue to go overseas, we only make it that much harder to regain our place as a global leader.11 As my colleagues Michael Ettlinger and Kate Gordon have put it, “the cross-fertilization and engagement of a community of experts in industry, academia, and government is vital to our nation’s economic competitiveness.”12¶ Manufacturing is not only a key part of our economy, but moving forward it will remain critical to our nation’s economic vitality¶ The U.S. manufacturing sector is still a force internationally and an important part of our economy, despite employment losses and the relative rise in manufacturing in other countries over the past few decades.13 Last year, manufacturing contributed over $1.8 trillion to U.S. gross domestic product, or about 12 percent of the economy.14 Two years ago, manufacturing accounted for 60 percent of all U.S. exports.15 In 2008, the United States ranked first in the world in manufacturing value added, and it was the third largest exporter of manufactured goods to the world, behind only China and Germany and ahead of Japan and France.16 Between 1979 and 2010 manufacturing output per hour of labor in the United States increased by an average of 4 percent annually, and the United States has one of the world’s most productive workforces.17 Moreover, in 2009 there were 11.8 million direct jobs in manufacturing and 6.8 million additional jobs in related sectors.18 Put another way, one in six U.S. private-sector jobs is directly linked to manufacturing.19¶ Yet the industry suffered declines in the 2000s. The U.S. share of worldwide manufacturing value added dropped from 26 percent in 1998 to less than 20 percent in 2007, and we have gone from being a net exporter of manufactured goods in the 1960s to a net importer.20 Manufacturing as a share of U.S. GDP has declined from more than 15 percent in 1998 to 11 percent in 2009.21 And jobs in U.S. manufacturing declined from 17.6 million in January 1998 to 11.5 million in January 2010.22 And although the manufacturing sector has gained jobs in every month since then, for a total of 504,000 jobs as of June 2012, its share of total employment is down from 16.8 percent in 1998 to 10.8 percent today.23¶ These trends matter because the United States needs a strong manufacturing sector. Manufacturing provides good, middle-class jobs; propels U.S. leadership in technology and innovation, which is critical to our economic growth and vitality; and is important to balancing the trade deficit, as well as important for our nation’s long-term national security. The manufacturing sector has historically been a source of solid, middle-class jobs and it continues to be so today. The average manufacturing worker earns a weekly wage that is 8.4 percent higher than non-manufacturing workers, taking into account worker and job characteristics that influence wages, including unionization.24 Economist Susan Helper and her colleagues conclude that the economic evidence points to the fact that “the main reason why manufacturing wages and benefits are higher than those outside of manufacturing is that manufacturers need to pay higher wages to ensure that their workers are appropriately skilled and motivated.” 25 U.S.-based manufacturing underpins a broad range of jobs in other industries, including higher skill service jobs such as accountants, bankers, and lawyers, as well as a broad range of other jobs such as basic research and technology development, product and process engineering and design, operations and maintenance, transportation, testing, and lab work.26 Compared to jobs in other economic sectors, manufacturing jobs have the highest “multiplier effect,” that is, the largest effect on the overall economy for each job created, relative to jobs in other industries. To put this in perspective, each job in motor vehicle manufacturing creates 8.6 indirect jobs, each job in computer manufacturing creates 5.6 indirect jobs, and each job in steel product manufacturing creates 10.3 indirect jobs.27¶ Manufacturing is also important because it fuels the United States’ leadership in technology and innovation, which are critical to maintain for our future economic competitiveness.28 Manufacturing firms are more likely to innovate than firms in other industries: Research from the National Science Foundation finds that 22 percent of manufacturing companies are active innovators compared to only 8 percent of nonmanufacturing companies.29 This number is even higher for specific sectors within manufacturing. For example, in computer and electronic products manufacturing, 45 percent of companies are product innovators and 33 percent are process innovators.30 Manufacturing firms also perform the vast majority of private research and development: Despite comprising just 12 percent of the nation’s GDP in 2007, manufacturing companies contributed 70 percent of private research and development spending.31 ¶ In addition to what manufacturers spend on innovation, there is increasingly strong empirical evidence showing a tight link between innovation and manufacturing production. Economic research now shows that the United States will not likely be able to keep the highly skilled technical jobs if the production jobs go overseas. Harvard Business School professors Gary Pisano and Willy Shih have written about the decline of the “industrial commons” in the United States: the collective R&D, engineering, and manufacturing capabilities that mutually reinforce each other to sustain innovation.32 For many types of manufacturing, geographic proximity is key to having a strong “commons,” and they point to evidence showing that there are few hightech industries where the feedback loop from the manufacturing process is not a factor in developing new products.33 As they put it, “product and process innovation are intertwined.” Pisano and Shih point to the example of rechargeable batteries as a product where innovation followed manufacturing. Rechargeable battery manufacturing left the United States many years ago, leading to the migration of the batteries commons to Asia. Now new technology (batteries for hybrid and electric vehicles) are being designed in Asia where the commons are located. I’d draw your attention to a January New York Times article on China’s increasing investment in research and development, which asked, “Our global competitiveness is based on being the origin of the newest, best ideas. How will we fare if those ideas originate somewhere else?”34

#### Economic strength key to American influence- largest internal link

Hubbard ‘10 (Hegemonic Stability Theory: An Empirical Analysis By: Jesse Hubbard Jesse Hubbard Program Assistant at Open Society Foundations Washington, District Of Columbia International Affairs Previous National Democratic Institute (NDI), National Defense University, Office of Congressman Jim Himes Education PPE at University of Oxford, 2010

Regression analysisof this datashows that Pearson’s r-value is -.836. In the case of American hegemony, economic strength is a better predictor of violent conflict than even overall national power, which had an r-value of -.819. The data is also well within the realm of statistical significance, with a p-value of .0014. While the data for British hegemony was not as striking, the same overall pattern holds true in both cases. During both periods of hegemony, hegemonic strength was negatively related with violent conflict, and yet use of force by the hegemon was positively correlated with violent conflict in both cases. Finally, in both cases, economic power was more closely associated with conflict levels than military power. Statistical analysis created a more complicated picture of the hegemon’s role in fostering stability than initially anticipated. VI. Conclusions and Implications for Theory and Policy To elucidate some answers regarding the complexities my analysis unearthed, I turned first to the existing theoretical literature on hegemonic stability theory. The existing literature provides some potential frameworks for understanding these results. Since economic strength proved to be of such crucial importance, reexamining the literature that focuses on hegemonic stability theory’s economic implications was the logical first step. As explained above, the literature on hegemonic stability theory can be broadly divided into two camps – that which focuses on the international economic system, and that which focuses on armed conflict and instability. This research falls squarely into the second camp, but insights from the first camp are still of relevance. Even Kindleberger’s early work on this question is of relevance. Kindleberger posited that the economicinstabilitybetween the First and Second World Warscould be attributed to the lack of an economic hegemon (Kindleberger 1973). But economic instability obviously has spillover effects into the international political arena. Keynes, writing after WWI, warned in his seminal tract The Economic Consequences of the Peace that Germany’s economic humiliation could have a radicalizing effect on the nation’s political culture (Keynes 1919). Given later events, his warning seems prescient. In the years since the Second World War, however, the European continent has not relapsed into armed conflict. What was different after the second global conflagration? Crucially, the United States was in a far more powerful position than Britain was after WWI. As the tables above show, Britain’s economic strength after the First World War was about 13% of the total in strength in the international system. In contrast, the United States possessed about 53% of relative economic power in the international system in the years immediately following WWII. The U.S. helped rebuild Europe’s economic strength with billions of dollars in investment through the Marshall Plan, assistance that was never available to the defeated powers after the First World War (Kindleberger 1973). The interwar years were also marked by a series of debilitating trade wars that likely worsened the Great Depression (Ibid.). In contrast, when Britain was more powerful, it was able to facilitate greater free trade, and after World War II, the United States played a leading role in creating institutions like the GATT that had an essential role in facilitating global trade (Organski 1958). The possibility that economic stability is an important factor in the overall security environment should not be discounted, especially given the results of my statistical analysis. Another theory that could provide insight into the patterns observed in this research is that of preponderance of power. Gilpin theorized that when a state has the preponderance of power **in the international system,** rivals are more likely to resolve their disagreements without resorting to armed conflict (Gilpin 1983). The logic behind this claim is simple – it makes more sense to challenge a weaker hegemon than a stronger one. This simple yet powerful theory can help explain the puzzlingly strong positive correlation between military conflicts engaged in by the hegemon and conflict overall. It is not necessarily that military involvement by the hegemon instigates further conflict in the international system. Rather, this military involvement could be a function of the hegemon’s weaker position, which is the true cause of the higher levels of conflict in the international system. Additionally, it is important to note that military power is, in the long run, dependent on economic strength. Thus, it is possible that as hegemons lose **relative** economic power, other nations **are tempted to** challenge them even if their short-term military capabilities are still strong. This would help explain some of the variation found between the economic and military data. The results of this analysis are of clear importance beyond the realm of theory. As the debate rages over the role of the United States in the world, hegemonic stability theory has some useful insights to bring to the table. What this research makes clear is that a strong hegemon can exert a positive influence on stability in the international system. However, this should not give policymakers a justification to engage in conflict or escalate military budgets purely for the sake of international stability. If anything, this research points to the central importance of economic influence in fostering international stability. To misconstrue these findings to justify anything else would be a grave error indeed. Hegemons may play a stabilizing role in the international system, but this role is complicated. It is economic strength, not military dominance that is the true test of hegemony. A weak state with a strong military is a paper tiger – it may appear fearsome, but it is vulnerable to even a short blast of wind.

#### Hegemony is the meta-impact

Brooks, Ikenberry, and Wohlforth ’13 (Stephen, Associate Professor of Government at Dartmouth College, John Ikenberry is the Albert G. Milbank Professor of Politics and International Affairs at Princeton University in the Department of Politics and the Woodrow Wilson School of Public and International Affairs, William C. Wohlforth is the Daniel Webster Professor in the Department of Government at Dartmouth College “Don’t Come Home America: The Case Against Retrenchment,” International Security, Vol. 37, No. 3 (Winter 2012/13), pp. 7–51)

A core premise of deep engagement is that it prevents the emergence of a far more dangerous global security environment. For one thing, as noted above, the United States’ overseas presence gives it the leverage to restrain partners from taking provocative action. Perhaps more important, its core alliance commitments also deter states with aspirations to regional hegemony from contemplating expansion and make its partners more secure, reducing their incentive to adopt solutions to their security problems that threaten others and thus stoke security dilemmas. The contention that engaged U.S. power dampens the baleful effects of anarchy is consistent with influential variants of realist theory. Indeed, arguably the scariest portrayal of the war-prone world that would emerge absent the “American Pacifier” is provided in the works of John Mearsheimer, who forecasts dangerous multipolar regions replete with security competition, arms races, nuclear proliferation and associated preventive war temptations, regional rivalries, and even runs at regional hegemony and full-scale great power war. 72 How do retrenchment advocates, the bulk of whom are realists, discount this benefit? Their arguments are complicated, but two capture most of the variation: (1) U.S. security guarantees are not necessary to prevent dangerous rivalries and conflict in Eurasia; or (2) prevention of rivalry and conflict in Eurasia is not a U.S. interest. Each response is connected to a different theory or set of theories, which makes sense given that the whole debate hinges on a complex future counterfactual (what would happen to Eurasia’s security setting if the United States truly disengaged?). Although a certain answer is impossible, each of these responses is nonetheless a weaker argument for retrenchment than advocates acknowledge. The first response flows from defensive realism as well as other international relations theories that discount the conflict-generating potential of anarchy under contemporary conditions. 73 Defensive realists maintain that the high expected costs of territorial conquest, defense dominance, and an array of policies and practices that can be used credibly to signal benign intent, mean that Eurasia’s major states could manage regional multipolarity peacefully without the American pacifier. Retrenchment would be a bet on this scholarship, particularly in regions where the kinds of stabilizers that nonrealist theories point to—such as democratic governance or dense institutional linkages—are either absent or weakly present. There are three other major bodies of scholarship, however, that might give decisionmakers pause before making this bet. First is regional expertise. Needless to say, there is no consensus on the net security effects of U.S. withdrawal. Regarding each region, there are optimists and pessimists. Few experts expect a return of intense great power competition in a post-American Europe, but many doubt European governments will pay the political costs of increased EU defense cooperation and the budgetary costs of increasing military outlays. 74 The result might be a Europe that is incapable of securing itself from various threats that could be destabilizing within the region and beyond (e.g., a regional conflict akin to the 1990s Balkan wars), lacks capacity for global security missions in which U.S. leaders might want European participation, and is vulnerable to the influence of outside rising powers. What about the other parts of Eurasia where the United States has a substantial military presence? Regarding the Middle East, the balance begins to swing toward pessimists concerned that states currently backed by Washington— notably Israel, Egypt, and Saudi Arabia—might take actions upon U.S. retrenchment that would intensify security dilemmas. And concerning East Asia, pessimism regarding the region’s prospects without the American pacifier is pronounced. Arguably the principal concern expressed by area experts is that Japan and South Korea are likely to obtain a nuclear capacity and increase their military commitments, which could stoke a destabilizing reaction from China. It is notable that during the Cold War, both South Korea and Taiwan moved to obtain a nuclear weapons capacity and were only constrained from doing so by a still-engaged United States. 75 The second body of scholarship casting doubt on the bet on defensive realism’s sanguine portrayal is all of the research that undermines its conception of state preferences. Defensive realism’s optimism about what would happen if the United States retrenched is very much dependent on its particular—and highly restrictive—assumption about state preferences; once we relax this assumption, then much of its basis for optimism vanishes. Specifically, the prediction of post-American tranquility throughout Eurasia rests on the assumption that security is the only relevant state preference, with security defined narrowly in terms of protection from violent external attacks on the homeland. Under that assumption, the security problem is largely solved as soon as offense and defense are clearly distinguishable, and offense is extremely expensive relative to defense. Burgeoning research across the social and other sciences, however, undermines that core assumption: states have preferences not only for security but also for prestige, status, and other aims, and they engage in trade-offs among the various objectives. 76 In addition, they define security not just in terms of territorial protection but in view of many and varied milieu goals. It follows that even states that are relatively secure may nevertheless engage in highly competitive behavior. Empirical studies show that this is indeed sometimes the case. 77 In sum, a bet on a benign postretrenchment Eurasia is a bet that leaders of major countries will never allow these nonsecurity preferences to influence their strategic choices. To the degree that these bodies of scholarly knowledge have predictive leverage, U.S. retrenchment would result in a significant deterioration in the security environment in at least some of the world’s key regions. We have already mentioned the third, even more alarming body of scholarship. Offensive realism predicts that the withdrawal of the American pacifier will yield either a competitive regional multipolarity complete with associated insecurity, arms racing, crisis instability, nuclear proliferation, and the like, or bids for regional hegemony, which may be beyond the capacity of local great powers to contain (and which in any case would generate intensely competitive behavior, possibly including regional great power war). Hence it is unsurprising that retrenchment advocates are prone to focus on the second argument noted above: that avoiding wars and security dilemmas in the world’s core regions is not a U.S. national interest. Few doubt that the United States could survive the return of insecurity and conflict among Eurasian powers, but at what cost? Much of the work in this area has focused on the economic externalities of a renewed threat of insecurity and war, which we discuss below. Focusing on the pure security ramifications, there are two main reasons why decisionmakers may be rationally reluctant to run the retrenchment experiment. First, overall higher levels of conflict make the world a more dangerous place. Were Eurasia to return to higher levels of interstate military competition, one would see overall higher levels of military spending and innovation and a higher likelihood of competitive regional proxy wars and arming of client states—all of which would be concerning, in part because it would promote a faster diffusion of military power away from the United States. Greater regional insecurity could well feed proliferation cascades, as states such as Egypt, Japan, South Korea, Taiwan, and Saudi Arabia all might choose to create nuclear forces. 78 It is unlikely that proliferation decisions by any of these actors would be the end of the game: they would likely generate pressure locally for more proliferation. Following Kenneth Waltz, many retrenchment advocates are proliferation optimists, assuming that nuclear deterrence solves the security problem. 79 Usually carried out in dyadic terms, the debate over the stability of proliferation changes as the numbers go up. Proliferation optimism rests on assumptions of rationality and narrow security preferences. In social science, however, such assumptions are inevitably probabilistic. Optimists assume that most states are led by rational leaders, most will overcome organizational problems and resist the temptation to preempt before feared neighbors nuclearize, and most pursue only security and are risk averse. Confidence in such probabilistic assumptions declines if the world were to move from nine to twenty, thirty, or forty nuclear states. In addition, many of the other dangers noted by analysts who are concerned about the destabilizing effects of nuclear proliferation—including the risk of accidents and the prospects that some new nuclear powers will not have truly survivable forces—seem prone to go up as the number of nuclear powers grows. 80 Moreover, the risk of “unforeseen crisis dynamics” that could spin out of control is also higher as the number of nuclear powers increases. Finally, add to these concerns the enhanced danger of nuclear leakage, and a world with overall higher levels of security competition becomes yet more worrisome. The argument that maintaining Eurasian peace is not a U.S. interest faces a second problem. On widely accepted realist assumptions, acknowledging that U.S. engagement preserves peace dramatically narrows the difference between retrenchment and deep engagement. For many supporters of retrenchment, the optimal strategy for a power such as the United States, which has attained regional hegemony and is separated from other great powers by oceans, is offshore balancing: stay over the horizon and “pass the buck” to local powers to do the dangerous work of counterbalancing any local rising power. The United States should commit to onshore balancing only when local balancing is likely to fail and a great power appears to be a credible contender for regional hegemony, as in the cases of Germany, Japan, and the Soviet Union in the midtwentieth century. The problem is that China’s rise puts the possibility of its attaining regional hegemony on the table, at least in the medium to long term. As Mearsheimer notes, “The United States will have to play a key role in countering China, because its Asian neighbors are not strong enough to do it by themselves.” 81 Therefore, unless China’s rise stalls, “the United States is likely to act toward China similar to the way it behaved toward the Soviet Union during the Cold War.” 82 It follows that the United States should take no action that would compromise its capacity to move to onshore balancing in the future. It will need to maintain key alliance relationships in Asia as well as the formidably expensive military capacity to intervene there. The implication is to get out of Iraq and Afghanistan, reduce the presence in Europe, and pivot to Asia— just what the United States is doing. 83 In sum, the argument that U.S. **security** commitments are unnecessary **for peace** is countered by a lot of scholarship, including highly influential realist scholarship. In addition, the argument that Eurasian peace is unnecessary for U.S. security is weakened by the potential for a large number of nasty security consequences as well as the need to retain a latent onshore balancing capacity that dramatically reduces the savings retrenchment might bring. Moreover, switching between offshore and onshore balancing could well be difªcult. Bringing together the thrust of many of the arguments discussed so far underlines the degree to which the case for retrenchment misses the underlying logic of the deep engagement strategy. By supplying reassurance, deterrence, and active management, the United States lowers security competition in the world’s key regions, thereby preventing the emergence of a hothouse atmosphere for growing new military capabilities. Alliance ties dissuade partners from ramping up and also provide leverage to prevent military transfers to potential rivals. On top of all this, the United States’ formidable military machine may deter entry by potential rivals. Current great power military expenditures as a percentage of GDP are at historical lows, and thus far other major powers have shied away from seeking to match top-end U.S. military capabilities. In addition, they have so far been careful to avoid attracting the “focused enmity” of the United States. 84 All of the world’s most modern militaries are U.S. allies (America’s alliance system of more than sixty countries now accounts for some 80 percent of global military spending), and the gap between the U.S. military capability and that of potential rivals is by many measures growing rather than shrinking. 85

### US Production Addon: Dollar/ Trade

#### Natural gas saves the dollar

Holland ‘12 (Kelley Holland, Currency Blogger at CNBC, “How Natural Gas Helps the Dollar”, Money in Motion, CNBC, 4-4-2012, <http://www.cnbc.com/id/46955130>)

The dollar stands to gain from exports of petroleum products, these strategists say. If you're like many currency traders, you've spent serious quality time focused on developments in the euro zone - [EUR=X 1.2363 0.0004 (+0.03%) ] right? Well, Robert Sinche and Brian Kim of RBS say it's time to shift gears. If “Greece is (was) the word” of 2010…and 2011…and early 2012, “nat gas” may be the new “word” in the global macro environment," they wrote in a note to clients. Sinche and Kim argue that rising energy prices, and the pickup in American energy self-sufficiency and petroleum-product exports, will have a hidden but significant impact on the U.S. trade deficit with developing countries. "Should the increasing importance of natural gas in US energy consumption (and exports) continue to grow, the US trade deficit in the energy sector could narrow in the years ahead at the same time that the US imbalance in other goods and services versus, particularly, the emerging world narrows," they say. In other words, the U.S. trade deficit with emerging-market countries will shrink - and that will support the dollar. [.DXY 83.05 0.03 (+0.04%)] Other long-term factors could also help the trade deficit and the dollar, these strategists say. For example, an aging population will be more likely to save, reducing demand for imports. But in their view, energy will provide key support: "Major developments in the energy markets in the US could have wide-ranging impacts on the US economy during the years ahead – both internally and externally. And developments in the energy sector could be part of a broader improvement in the fundamental backdrop for the USD."

Dollar key to trade

Caploe ‘8 (MA in Political Science and a PhD in International Political Economy from Princeton University (David, “It's the fiscal deficit, stupid,” The Straits Times, 9/2/08, lexis)

The origins of this system lie in the shattered condition of the world economy after World War II. At that time, the only currency universally accepted for international trade was the US dollar. This 'dollar hegemony' has enabled the US to survive and prosper for decades despite the fact it has run consistent balance of payments deficits since 1959 - a condition that would have devastated any other country whose currency wasn't the world's 'reserve currency'.  Put simply, countries accept dollars, even in their currently weakened state, to buy and sell from each other - above all oil, which has been priced in US dollars since even before World War II. The result of dollar hegemony has been a 'win-win' situation for both the US and the rest of the world: The US can import goods and services far beyond its immediate ability to pay, and the rest of the world has been willing to take dollars, which they can use themselves. In this way, America serves as not just the global consumer of last resort - the place where countries know they are usually able to off-load their inventories - but also the global financier of last resort. That is, the supply of dollars moving around the world has, for the last half century, helped maintain the flow of not just trade, but international investment as well.

#### Collapse causes global transition wars – turns all impacts

Panzner ‘8 (Faculty at the New York Institute of Finance, 25-year veteran of the global stock, bond, and currency markets who has worked in New York and London for HSBC, Soros Funds, ABN Amro, Dresdner Bank, and JPMorgan Chase (Michael, Financial Armageddon: Protect Your Future from Economic Collapse, Revised and Updated Edition, p. 136-138, googlebooks)

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 (heap thanks to a rapidly depreciating dollar, will be stymied by limits on investment by noncitizens. 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 healed 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.

### Russian Imperialism Addon: Central Asia

#### Russian imperialism ensures Central Asian instability

Asmus ‘8 (Ronald, Executive Director of the Transatlantic Center at the German Marshall Fund of the United States, in Brussels. From 1997 to 2000, he served as U.S. Deputy Assistant Secretary of State for European Affairs, “Europe's Eastern Promise; Rethinking NATO and EU Enlargement,” Foreign Affairs. New York: Jan/Feb 2008. Vol. 87, Iss. 1; pg. 95)

In light of these new circumstances in Russia, enlargement needs to be rethought from the ground up, starting with its strategic rationale. After the accession of a band of countries from the Baltic states in the north to Bulgaria and Romania in the south, many in the West assumed that the enlargement project was almost complete, with the western Balkans constituting the last piece of unfinished business. They were surprised to suddenly find new countries from Eurasia, and specifically the wider Black Sea region, starting to knock on the doors of NATO and the EU -- and unsure how to respond. In dealing with these new candidate countries, the West must stick to the values and diplomatic principles it laid down in the 1990s, including the notion that countries are free to choose their alliances. But that alone is unlikely to be enough, because although these countries clearly consider themselves European, many Europeans do not feel the same historical or moral commitment to them or see a compelling strategic need to integrate them. Thus, in addition to moral and political arguments, the United States and Europe need to articulate a strong strategic rationale for anchoring them to the West. That argument is straightforward. The challenge of securing Europe's eastern border from the Baltics to the Black Sea has been replaced by the need to extend peace and stability along the southern rim of the Euro-Atlantic community -from the Balkans across the Black Sea and further into Eurasia, a region that connects Europe, Russia, and the Middle East and involves core security interests, including a critical energy corridor. Working to consolidate democratic change and build stability in this area is as important for Western security today as consolidating democracy in central and eastern Europe was in the 1990s. It is not only critical to expanding the democratic peace in Europe but also vital to repositioning the West vis-à-vis both Central Asia and the Middle East. This strategy presents an opportunity to redraw the strategic map of Europe and Eurasia in a way that enhances the security of countries on Europe's periphery as well as that of the United States and Europe. The United States and Europe also need to rethink what anchoring means in practice. In the 1990s, it meant pursuing membership in NATO and the EU roughly in parallel. Now the West needs to be more flexible and take a long-term view. The goal is to tie these countries as closely to the West as politics and interests on both sides allow. For some countries, this may mean eventual membership in both NATO and the EU; for others, it may mean membership only in NATO; and for the rest, it may mean membership in neither but simply much closer relations. Policy will have to be much more à la carte than prix fixe. The link between NATO membership and EU membership should be relaxed, if not dropped. The EU has enough on its plate sustaining its commitments to the western Balkans and Turkey; anything beyond that is probably a nonstarter for the time being. NATO will once again have to take the lead in anchoring countries such as Georgia and others in the wider Black Sea region. The West must also rethink how it should engage and reach out to these countries. If membership is less plausible as a short-term option, then the quality of ties short of membership must be improved to compensate. Outreach must grow in importance and may increasingly become the centerpiece of U.S. and European strategy. At the moment, the fear of future enlargement is one factor actually holding allies back, with institutions afraid of taking even small steps down what some fear could be a slippery slope. Yet precisely because the countries in question are weaker and more endangered, NATO and the EU should actually be reaching out and engaging them earlier. They need the security umbrella and engagement of the West as much, if not more, than the countries of central and eastern Europe did. The way out of this dilemma is to consider membership a long-term goal and focus in the mean time on strengthening Western outreach and engagement. This means recasting policy tools to address the different needs of the countries that are less developed politically and economically. Tools such as NATO's "membership action plan" should be extended earlier and tied less closely to actual membership commitments, thus allowing these countries to benefit from guidance and engagement while downplaying the question of the end goal. At the same time, the EU needs to enhance its own tools, such as the Common Foreign and Security Policy and the European Neighborhood Policy, as well as reach out to these countries more directly by offering them political and economic support. When communism collapsed, NATO and the EU had little idea how to reach out to postcommunist countries and anchor them to the West. Bureaucrats in both institutions said it could not be done. But political will and strategic imagination prevailed, and fresh approaches were developed. Political will can do the same today. As for Russia, neither Washington nor Brussels wants a confrontation with Moscow at a time when they face daunting challenges beyond Europe. But this does not mean the West should abandon its belief that the spread of democracy along Russia's borders contributes to peace and stability just because the current authoritarian rulers in Moscow disagree. Nor should the West abandon its principles and succumb to the sphere-of-influence thinking currently If the United States and Europe still hope that democracy will eventually take root in Russia, they must recognize that consolidating a pro-Western, democratic Ukraine would indirectly encourage democratization in Russia. Of course, antidemocratic forces in Russia will oppose such a move. After all, Moscow only acquiesced in previous rounds of NATO and EU enlargement because it concluded that the United States and Europe were determined to carry them out and that its efforts to oppose the West would be futile. Western unity on issues such as the future of Ukraine is therefore of the utmost importance. Still, holding true to NATO's and the EU's core principles and expanding these organizations' reach does not mean starting a new Cold War. The West and Moscow should look for other areas in which their interests are more aligned, such as expanding trade and investment or controlling nuclear proliferation and building a new arms control regime. The key question is whether Russia -- when faced with a unified West -- will start to look for common ground. As strong as Russia may appear at the moment, it remains a country with real long-term structural weaknesses and problems. It, too, needs friends and allies, and the United States and Europe should be among them. UNCERTAIN FUTURES Three very different scenarios for the future of Western policy toward Europe's periphery reveal just how high the stakes are in this region. In the best-case scenario, the United States and Europe would regroup under the next U.S. president and launch a new era of transatlantic cooperation by overcoming differences on Iraq, avoiding disagreements over Iran, and stabilizing Afghanistan. This renaissance would include a new and ambitious democratic-enlargement strategy, and the results would be significant. Securing independence for Kosovo without turning Serbia against the West would facilitate the successful integration of the western Balkans into NATO and the EU. In Turkey, the AKP-led government would continue democratic reforms, bringing the country closer to EU accession. Georgia and Ukraine would continue to move closer to the West as well. That prospect would help create positive pressure for democratic change in Azerbaijan and encourage Armenia's reorientation toward the West. By 2012, a reunified West would have begun to build an arc of democratic stability eastward into Eurasia and especially the wider Black Sea region. Realizing that its real adversaries lie elsewhere, Russia would eventually have no choice but to reassess its policy and seek a new rapprochement with the West. A less optimistic scenario is stagnation. In this case, the United States and Europe would regain some political momentum after 2008 but fail to achieve any significant democratic breakthroughs. A new U.S. administration would manage to stabilize and then extricate itself from Iraq, but transatlantic tensions over Iran and other Middle Eastern issues would persist. Kosovo would achieve independence, but in a manner that leaves Serbia alienated and unable to find its way back onto the path toward EU accession. In the western Balkans, only Croatia would remain on track for both EU and NATO membership. Turkey's prospects for joining the EU would fade, and reforms in Georgia and Ukraine would stall. Azerbaijan would remain an autocratic pro-Western ally increasingly vulnerable to growing radicalization from within. By 2012, the West would have patched up relations across the Atlantic but without breakthroughs in the Balkans or Turkey -- let alone in Ukraine or the wider Black Sea region. All of this would lead to a more competitive relationship with Russia, resulting in stalemate and a new chill in relations with Moscow. In the worst-case scenario, rather than the West consolidating new democratic breakthroughs, Russia would succeed in a strategy of rollback. The United States and Europe would not achieve a meaningful rapprochement, and they would fail to consolidate democracy in the western Balkans. Kosovo would become independent, but without agreement from all sides. This would launch Serbia on a new nationalist trajectory, bringing further instability to the region. U.S. failure in Iraq would lead to partition, estranging Turkey and prompting Ankara to invade northern Iraq and further loosen its ties to the West. This, in turn, would badly damage Turkey's already strained relations with both Washington and Brussels. Ukraine would drift back to autocracy, and Georgia, the one liberal democratic experiment in the Black Sea region, would lose reform momentum and teeter toward failure. Last November's declaration of a state of emergency in Tbilisi was a reminder of how fragile and vulnerable this experiment is. Using its energy supplies and influence, Russia would emerge as an authoritarian capitalist alternative to the West, attracting autocratic leaders throughout Europe and Eurasia. Rather than a renaissance of the transatlantic alliance, the result would be a retreat of democracy and a further splintering of the democratic West. As these scenarios make clear, the western Balkans, Georgia, Ukraine, and the wider Black Sea region are less stable and more at risk today than central and eastern Europe were a decade ago. And the stakes are high. A world in which Ukraine has successfully anchored itself to the West would be very different from one in which it has failed to do so. A world in which Georgia's success has sparked democratic progress in the region and helped stabilize the southern flank of the Euro-Atlantic community would be a much safer one than a world in which Georgia has become an authoritarian state in Russia's sphere of influence. And a world in which the democratic West is ascendant would be very different from one in which an autocratic, nationalist Russia is on the rise.

#### Extinction

Blank 2k (Stephen J. - Expert on the Soviet Bloc for the Strategic Studies Institute, “American Grand Strategy and the Transcaspian Region”, World Affairs. 9-22)

Thus many structural conditions for conventional war or protracted ethnic conflict where third parties intervene now exist in the Transcaucasus and Central Asia. The outbreak of violence by disaffected Islamic elements, the drug trade, the Chechen wars, and the unresolved ethnopolitical conflicts that dot the region, not to mention the undemocratic and unbalanced distribution of income across corrupt governments, provide plenty of tinder for future fires. Many Third World conflicts generated by local structural factors also have great potential for unintended escalation. Big powers often feel obliged to rescue their proxies and proteges. One or another big power may fail to grasp the stakes for the other side since interests here are not as clear as in Europe. Hence commitments involving the use of nuclear weapons or perhaps even conventional war to prevent defeat of a client are not well established or clear as in Europe. For instance, in 1993 Turkish noises about intervening on behalf of Azerbaijan induced Russian leaders to threaten a nuclear war in that case. Precisely because Turkey is a NATO ally but probably could not prevail in a long war against Russia, or if it could, would conceivably trigger a potential nuclear blow (not a small possibility given the erratic nature of Russia's declared nuclear strategies), the danger of major war is higher here than almost everywhere else in the CIS or the "arc of crisis" from the Balkans to China. As Richard Betts has observed, The greatest danger lies in areas where (1) the potential for serious instability is high; (2) both superpowers perceive vital interests; (3) neither recognizes that the other's perceived interest or commitment is as great as its own; (4) both have the capability to inject conventional forces; and (5) neither has willing proxies capable of settling the situation.(77)

## Adv 2 Addon

### Drug Cartel Addon: Us-Canada Relations

#### And drug cartels undermine US-Canadian relations- border fights

Brister ’12 (Brister, Major Bernard J., CD BComm MA, PhD., Assistant Professor, Canadian and American Foreign and Security Policy, Terrorism, Special Operations, “Forget Al - Qaeda: Think Mexico – The Next Great Threat to Canadian Security”, <http://www.cdfai.org/PDF/Forget%20Al-Qaeda%20Think%20Mexico.pdf>, November 2012)

The second way that Mexican affairs are directly influencing Canadian security and welfare is through the flow of illegal drugs into Canada from Mexico. Although it is a relatively small problem at present when compared to the volume of product that American authorities must attempt to deal with, it is growing steadily larger. 12 The latest statistical data (2008) indicates that the volume of cocaine smuggled into Canada has tripled in recent years and the percent age of that increased volume entering the country through the United States has gone from 25% to 40%. 13 As more and more American resources are dedicated to holding back the blizzard of illegal narcotics from Mexico, the flows can be expected to adopt the p ath of least resistance, which in some cases may result in the drug pipeline going north to Canada before dipping south of the border. If this occurs, one would anticipate that thereafter would follow the inevitable destabilizing effect on our society that results from the presence of highly - organized, extremely lucrative and ultra - violent criminal activity. 14 This could include , but not be restricted to , the terrorizing and infiltration of the police and judiciary and be accompanied by elevated levels of vi olence with the associated loss of the domestic public’s confidence in government at all levels to carry out its primary responsibility – ensuring the safety of the country’s citizens. 15 The third and possibly greatest effect that the current domestic ins tability in Mexico is having upon the security and welfare of Canadians is an indirect one by virtue of the negative effects that it is having upon the Canada - United States security relationship. In this regard there are two primary effects. The first is a continuing one of increased thickening of the border as successive American administrations seek to “fire - proof” their citizens from the triple threat of illegal immigration, the importation of increasing amounts of illegal narcotics, and terrorist attack . 16 This process of thickening has been a contributing factor in the steady reduction of trade between Canada and the United States. Trade with the United States has been in a steady decline since 2005 , having decreased almost 20% in the last 5 years. For a country like Canada whose main security interest is primarily economic in nature, this statistic is very disturbing and worthy of some concern. The other direct effect that the ongoing instability in Mexico is having upon the Canada - United States relationship is a continuing attempt by a number of American factions to conflate essentially dissimilar issues occurring on their northern and southern borders. Although clearly motivated by political consid erations, the comments of the Secretary of Homeland Security, Janet Napolitano, that the threats emanating from the northern and southern border regions were such that they could be addressed with a single policy are an example of this tendency. To put the Secretary’s comments into perspective however, she also stated that the 9/11 terrorists entered the United States through Canada.

#### These disputes spill over

Brister ’12 (Brister, Major Bernard J., CD BComm MA, PhD., Assistant Professor, Canadian and American Foreign and Security Policy, Terrorism, Special Operations, “Forget Al - Qaeda: Think Mexico – The Next Great Threat to Canadian Security”, <http://www.cdfai.org/PDF/Forget%20Al-Qaeda%20Think%20Mexico.pdf>, November 2012)

The effect would essentially be one of a significant reduction in the Canadian “room to manoeuvre” within the Canada - United States relationship. The added complexity of a third party and issues in the institutions of the existing bilateral relationship would reduce the speed and effectiveness with which common Canada - United States issues and interests could be addressed at every level of the relationship. The differences between Canada and Mexico in the levels of trust between agencies, governance capabilities, and the specifics of the issues to be dealt with as they pertain to the United States, would all complicate the relationship and reduce the precision with which Can ada could employ its established policy threads in pursuit of quintessentially Canadian interests.

#### Cooperation with Canada key to cyber-security

Carafano et al 2010 – James Jay Carafano, Ph.D., is Deputy Director of the Kathryn and Shelby Cullom Davis Institute for International Studies and Director of the Douglas and Sarah Allison Center for Foreign Policy Studies, a division of the Davis Institute, at The Heritage Foundation. Jena Baker McNeill is Policy Analyst for Homeland Security and Ray Walser, Ph.D., is Senior Policy Analyst for Latin America in the Allison Center at The Heritage Foundation. Richard Weitz, Ph.D., is Senior Fellow and Director of the Center for Political–Military Analysis at Hudson Institute (“Expand NORAD to Improve Security in North America,” <http://www.heritage.org/research/reports/2010/07/expand-norad-to-improve-security-in-north-america>)

Addressing the wide range of threat s confronting America’s security interests in North America will require NORAD’s involvement. Umar Farouk Abdulmutallab’s failed attempt to blow up a U.S.-bound jetliner was al-Qaeda’s most recent effort to cause mass casualties in America.[22] In addition, threats to energy, communication, and computer networks persist. Malicious third parties can attack the United States through vulnerable intermediaries, such as Canada, which offers a huge backdoor into the U.S. computer networks. Much of the infrastructure of the two nations—from railroads to aviation to pipelines and electrical systems—is inextricably intertwined. Canada is also America’s largest trading partner, accounting for many links in U.S. supply chains. NORAD and NORTHCOM have partnered with a number of agencies—including the U.S. Defense Security Cooperation Agency, U.S. Department of Homeland Security, and U.S. Strategic Command— to protect U.S. networks. This cooperation will help NORAD to secure U.S. systems against potential attack, but NORAD does not currently have a lead cyber-security role.[23] The United States needs to deepen cooperation with its North American partners on cyber security. Both the Canadian and U.S. economies depend on a secure and functioning cyberspace. Computer systems and infrastructure in both countries are linked and a substantial amount of bilateral trade is conducted through the Internet. Since cyber terrorists and criminals can operate from anywhere, integration of cyber-security efforts is essential to protect computer infrastructure. Integration is especially necessary for Canada because its 200 law enforcement and 2,500 military personnel dedicated to cyber security are insufficient to prevent cyber attacks effectively. Through NORAD, Canada and the United States could coordinate cyber security with the various military commands and civilian agencies.[24] Cooperation with Mexico as its economy and cyber infrastructure develop is also vital, as the U.S. and Mexican governments acknowledged by creating the Working Group on Cyber-Security in 2004.[25]

#### Cyber attack would destroy critical infrastructure and ensure US retaliation --- expands arid lands and ag collapse

**Habiger**, 2/1/**2010** (Eugue – Retired Air Force General, Cyberwarfare and Cyberterrorism, The Cyber Security Institute, p. 13-15)

There is **strong evidence** to suggest that al Qaeda has the ability to conduct cyberterror attacks against the United States and its allies. Al Qaeda and other terrorist organizations are extremely active in cyberspace, using these technologies to communicate among themselves and others, carry out logistics, recruit members, and wage information warfare. For example, al Qaeda leaders used email to communicate with the 9‐11 terrorists and the 9‐11 terrorists used the Internet to make travel plans and book flights. Osama bin Laden and other al Qaeda members routinely post videos and other messages to online sites to communicate. Moreover, there is evidence of efforts that al Qaeda and other terrorist organizations are **actively developing cyberterrorism capabilities** and seeking to carry out cyberterrorist attacks. For example, the Washington Post has reported that “U.S. investigators have found evidence in the logs that mark a browser's path through the Internet that al Qaeda operators spent time on sites that offer software and programming instructions for the digital switches that run power, water, transport and communications grids. In some interrogations . . . al Qaeda prisoners have described intentions, in general terms, to use those tools.”25 Similarly, a 2002 CIA report on the cyberterror threat to a member of the Senate stated that al Qaeda and Hezbollah have become "more adept at using the internet and computer technologies.”26 The FBI has issued bulletins stating that, “U. S. law enforcement and intelligence agencies have received indications that Al Qaeda members have sought information on Supervisory Control And Data Acquisition (SCADA) systems available on multiple SCADA‐related web sites.”27 In addition a number of jihadist websites, such as 7hj.7hj.com, teach computer attack and hacking skills in the service of Islam.28 While al Qaeda may lack the cyber‐attack capability of nations like Russia and China, there is every reason to believe its operatives, and those of its ilk, are as capable as the cyber criminals and hackers who routinely effect great harm on the world’s digital infrastructure generally and American assets specifically. In fact, perhaps, the most troubling indication of the level of the cyberterrorist threat is the countless, serious non‐terrorist cyberattacks routinely carried out by criminals, hackers, disgruntled insiders, crime syndicates and the like. If run‐of‐the‐mill criminals and hackers can threaten powergrids, hack vital military networks, steal vast sums of money, take down a city’s of traffic lights, compromise the Federal Aviation Administration’s air traffic control systems, among other attacks, it is **overwhelmingly likely** that terrorists can carry out similar, if not more malicious attacks. Moreover, even if the world’s terrorists are unable to breed these skills, they can certainly buy them. There are untold numbers of cybermercenaries around the world—sophisticated hackers with advanced training who would be willing to offer their services for the right price. Finally, given the nature of our understanding of cyber threats, there is always the possibility that we have already been the victim or a cyberterrorist attack, or such an attack has already been set but not yet effectuated, and we don’t know it yet. Instead, a well‐designed cyberattack has the capacity **cause widespread chaos**, sow societal unrest, undermine national governments, spread paralyzing fear and anxiety, and create a state of utter turmoil, all without taking a single life. A sophisticated cyberattack could throw a nation’s banking and finance system into chaos causing markets to crash, prompting runs on banks, degrading confidence in markets, perhaps even putting the nation’s currency in play and making the government look helpless and hapless. In today’s difficult economy, imagine how Americans would react if vast sums of money were taken from their accounts and their supporting financial records were destroyed. A truly nefarious cyberattacker could carry out an attack in such a way (akin to Robin Hood) as to engender populist support and deepen rifts within our society, thereby making efforts to restore the system all the more difficult. A modestly advanced enemy could use a cyberattack to shut down (if not physically damage) one or more regional power grids. An entire region could be cast into total darkness, power‐dependent systems could be shutdown. An attack on one or more regional power grids could also cause **cascading effects that could jeopardize our entire national grid**. When word leaks that the blackout was caused by a cyberattack, the specter of a foreign enemy capable of sending the entire nation into darkness would only **increase the fear, turmoil and unrest**. While the finance and energy sectors are considered prime targets for a cyberattack, an attack on any of the 17 delineated critical infrastructure sectors could have a major impact on the United States. For example, our healthcare system is already technologically driven and the Obama Administration’s e‐health efforts will only increase that dependency. A cyberattack on the U.S. e‐health infrastructure could send our healthcare system into chaos and put countless of lives at risk. Imagine if emergency room physicians and surgeons were suddenly no longer able to access vital patient information. A cyberattack on our nation’s water systems could likewise cause **widespread disruption**. An attack on the control systems for one or more dams could put entire communities at risk of being inundated, and could **create ripple effects across the water, agriculture, and energy sectors**. Similar water control system attacks could be used to at least temporarily **deny water to** otherwise **arid regions**, impacting everything from the quality of life in these areas to agriculture. In 2007, the U.S. Cyber Consequences Unit determined that the destruction from a single wave of cyberattacks on critical infrastructures could exceed $700 billion, which would be the rough equivalent of 50 Katrina‐esque hurricanes hitting the United States all at the same time.29 Similarly, one IT security source has estimated that the impact of a single day cyberwar attack that focused on and disrupted U.S. credit and debit card transactions would be approximately $35 billion.30 Another way to gauge the potential for harm is in comparison to other similar noncyberattack infrastructure failures. For example, the August 2003 regional power grid blackout is estimated to have cost the U.S. economy up to $10 billion, or roughly .1 percent of the nation’s GDP. 31 That said, a cyberattack of the exact same magnitude would most certainly have a much larger impact. The origin of the 2003 blackout was almost immediately disclosed as an atypical system failure having nothing to do with terrorism. This made the event both less threatening and likely a single time occurrence. Had it been disclosed that the event was the result of an attack that could readily be repeated the impacts would likely have grown substantially, if not exponentially. Additionally, a cyberattack could also be used to disrupt our nation’s defenses or distract our national leaders in advance of a more traditional conventional or strategic attack. Many military leaders actually believe that such a disruptive cyber pre‐offensive is the most effective use of offensive cyber capabilities. This is, in fact, the way Russia utilized cyberattackers—whether government assets, governmentdirected/ coordinated assets, or allied cyber irregulars—in advance of the invasion of Georgia. Widespread distributed denial of service (DDOS) attacks were launched on the Georgian governments IT systems. Roughly a day later Russian armor rolled into Georgian territory. The cyberattacks were used to prepare the battlefield; they denied the Georgian government a critical communications tool isolating it from its citizens and degrading its command and control capabilities precisely at the time of attack. In this way, these attacks were the functional equivalent of conventional air and/or missile strikes on a nation’s communications infrastructure.32 One interesting element of the Georgian cyberattacks has been generally overlooked: On July 20th, weeks before the August cyberattack, the website of Georgian President Mikheil Saakashvili was overwhelmed by a more narrowly focused, but technologically similar DDOS attack.33 This should be particularly chilling to American national security experts as our systems undergo the same sorts of focused, probing attacks on a constant basis. The ability of an enemy to use a cyberattack to counter our offensive capabilities or soften our defenses for a wider offensive against the United States is much more than mere speculation. In fact, in Iraq it is already happening. Iraq insurgents are now using off‐the‐shelf software (costing just $26) to hack U.S. drones (costing $4.5 million each), allowing them to intercept the video feed from these drones.34 By hacking these drones the insurgents have succeeded in greatly reducing one of our most valuable sources of real‐time intelligence and situational awareness. If our enemies in Iraq are capable of such an effective cyberattack against one of our more sophisticated systems, consider what a more technologically advanced enemy could do. At the strategic level, in 2008, as the United States Central Command was leading wars in both Iraq and Afghanistan, a cyber intruder compromised the security of the Command and sat within its IT systems, monitoring everything the Command was doing. 35 This time the attacker simply gathered vast amounts of intelligence. However, it is clear that the attacker could have used this access to wage cyberwar—altering information, disrupting the flow of information, destroying information, taking down systems—against the United States forces already at war. Similarly, during 2003 as the United States prepared for and began the War in Iraq, the IT networks of the Department of Defense were hacked 294 times.36 By August of 2004, with America at war, these ongoing attacks compelled then‐Deputy Secretary of Defense Paul Wolfowitz to write in a memo that, "Recent exploits have reduced operational capabilities on our networks."37 This wasn’t the first time that our national security IT infrastructure was penetrated immediately in advance of a U.S. military option.38 In February of 1998 the Solar Sunrise attacks systematically compromised a series of Department of Defense networks. What is often overlooked is that these attacks occurred during the ramp up period ahead of potential military action against Iraq. The attackers were able to obtain vast amounts of sensitive information—information that would have certainly been of value to an enemy’s military leaders. There is no way to prove that these actions were purposefully launched with the specific intent to distract American military assets or degrade our capabilities. However, such ambiguities—the inability to specifically attribute actions and motives to actors—are the very nature of cyberspace. Perhaps, these repeated patterns of behavior were mere coincidence, or perhaps they weren’t. The potential that an enemy might use a cyberattack to soften physical defenses, increase the gravity of harms from kinetic attacks, or both, significantly increases the potential harms from a cyberattack. Consider the gravity of the threat and risk if an enemy, rightly or wrongly, believed that it could use a cyberattack to degrade our strategic weapons capabilities. Such an enemy might be convinced that **it could win a war**—conventional or **even nuclear**—against the United States. The effect of this would be to **undermine our deterrence**‐based defenses, making us **significantly more at risk of a major war**.

### US-Cadian Relations Addon: Afghanistan

#### Canadian contributions to Afghanistan are vital to the long-term growth and stability of the state

Bergen ’12 – research fellow at the CDGAI

(Bob, Canada’s Afghan contribution needs to be seen in proper context, Canadian Defence and Global Affairs Institute, 2012, http://www.cdfai.org/bergenarticles/Canadas%20Afghan%20contribution%20needs%20to%20be%20seen%20in%20proper%20context.pdf)

MacKay announced from Afghanistan where he was visiting Canadian troops and Afghan President Hamid Karzai that Canada will contribute $10 million toward the salaries of Afghan police officers through the Law and Order Trust Fund for Afghanistan. The enabling of officers’ salaries to be paid to them by LOTFA directly through banks would not be remarkable to Canadians to whom direct bank deposits are routine and the announcement made few headlines. Still, in a deeply-troubled state like Afghanistan, that was a crucial step toward building a paid professional police force and improving stability and security because it is widely acknowledged that the Afghan national police force is rife with corruption and incompetence. The $10 million builds upon $7 million previously committed by the Canadian International Development Agency and comes at a time when Canada is poised to double its cadre of civilian RCMP police trainers in Afghanistan from five to 10 in March 2007. Now the bad news: Largely ignored were announcements made at roughly the same time that Canada would be providing $1.75 million to UNICEF for Afghan women’s health and literacy and another $11.5 million over two years for provincial reconstruction. International Co-operation Minister Josée Vernier and Pubic Works and Government Services Minister Michael Fortier made the announcements in Montreal. The $11.5-million contribution to the Accelerated District Reconstruction program is part of a nearly $1billion 10-year Canadian commitment to stabilization, reconstruction, poverty reduction and improving Afghanistan’s governance. Unfortunately, the good news about Canada contributing to health and education programs, the building of roads, aqueducts, sanitation infrastructure, schools and clinics throughout Kandahar has been juxtaposed with reports based on excerpts from the Jan/Feb 2007 edition the America-centric journal Foreign Affairs. The article "Saving Afghanistan" by Barnett Rubin, a long-time critic of the American military’s conduct in Afghanistan, was seized upon as background context for an argument that Afghanistan is “sliding into chaos” and that a bad end looms over Canada’s Afghan mission. In fact, what U.S. scholar Rubin wrote about is what it would take to save Afghanistan and a key point he made was that the United States all but abandoned Afghanistan after it drove al-Qaeda and Taliban core leadership into Pakistan and failed to consolidate that tactical advance. NATO countries, including Canada, have leapt in to the breach, but Rubin argued that if America is to succeed in its war on terrorism, it must refocus its attention on securing Afghanistan and stabilizing it through reconstruction. Obviously Canada is not America and Canadians have different aims in Afghanistan, but that is precisely what the Canadian Forces are doing there. Rather than the American aim of destroying poppy fields that supply U.S. drug users with 14 per cent of their opium, for example, the Canadian Forces are involved in not only defeating the Taliban and its alQaeda supporters in the interest of security, but in infrastructure reconstruction that will enable the growth of alternative crops such as grapes and their delivery to markets.

#### Afghanistan instability will cascade to nuclear war

**Hellman 10 –** professor at Stanford University

[Martin Hellman, “Could Afghanistan Lead to a Nuclear Disaster?”, Nuclear Risk, http://nuclearrisk.wordpress.com/2010/08/19/could-afghanistan-lead-to-a-nuclear-disaster/]

While now a professor of history and international relations at Boston University, Andrew Bacevich is also a West Point graduate and retired Army Colonel with service in Vietnam and the Persian Gulf. Bacevich has an uncanny ability to combine his academic and military perspectives to produce a brilliant, common sense approach to international issues, especially those involving war and peace. In this post, I recommend his most recent OpEd , which appeared today in the LA Times. In it, he relates Afghanistan to Kennedy’s disastrous 1961 Bay of Pigs invasion – an event that helped lay a foundation for 1962’s Cuban Missile Crisis. While the linkage between Afghanistan and nuclear war is not the point of Bacevich’s OpEd, the danger should be obvious in light of what transpired in those fateful thirteen days of October 1962. But, just as almost no one saw how supporting the overthrow of Castro could lead to a nuclear war, almost no one today is concerned that the war in Afghanistan has a similar potential. The risk analysis approach that I have been advocating is helpful for illuminating that danger. Last May, as part of my Defusing the Nuclear Threat series at Stanford, former Director of Los Alamos Dr. Siegfried Hecker spoke on “The Greatest Nuclear Risks.” In that talk, he explained why he saw Pakistan as the greatest nuclear risk we face. The war in Afghanistan adds to an already unstable situation in nuclear-armed Pakistan. **If that instability should lead to a coup by Taliban sympathizers** within the Pakistani military, the risk becomes much clearer. To avoid disaster, we need to stop seeing dangers only in hindsight. We need to start thinking through the possible consequences of our actions, before they occur. If we do that, we can not only avert a nuclear disaster, but also build a better, safer world.

### Mexico Economy Addon: Hegemony

#### 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.

## Adv 3 Addon

### US Manufacturing Addon: China War

#### US and Chinese manufacturing are zero-sum- China rise

Mosher ‘6 (Steven is the President of the Population Research Institute. “CHINESE INFLUENCE ON U.S. FOREIGN POLICY THROUGH U.S. EDUCATIONAL INSTITUTIONS, MULTILATERAL ORGANIZATIONS AND CORPORATE AMERICA: HEARING BEFORE THE SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS OF THE COMMITTEE ON INTERNATIONAL RELATIONS HOUSE OF REPRESENTATIVES,” Feb 14, <http://commdocs.house.gov/committees/intlrel/hfa26076.000/hfa26076_0f.htm>)

The ruthless mercantilism practiced by the CCP is thus a form of economic warfare. China's rulers seek to move as much of the world's manufacturing base to their country as possible, thus increasing the PRC's ''comprehensive national strength'' at the same time that it undermines U.S. national security by hollowing out America's industrial base in general and key defense-related sectors of the economy in particular. China will not lightly abandon this policy, which strengthens China as it weakens the U.S., and is an integral part of China's drive for Hegemony.¶ CHINA IS ACQUIRING THE MEANS TO PROJECT FORCE FAR BEYOND TAIWAN.¶ Many of China's military modernization efforts—supersonic anti-ship cruise missiles, stealthy submarines, theater based missiles with terminal guidance systems—are aimed specifically at U.S. forces and bases. By is acquiring weapons designed to exploit U.S. vulnerabilities, the PRC is clearly preparing for a contest with the United States.¶ Beijing is interested in deterring, delaying, or complicating U.S. assistance to Taiwan in the event of an invasion, so as to force a quick capitulation by the democratically elected Taiwan government. But while the near-term focus is Taiwan, many of China's new lethal capabilities are applicable to a wide range of potential operations beyond the Taiwan Strait. As the 2005 Report to Congress of the USCC report notes, ''China is in the midst of an extensive force modernization program aimed at increasing its force projection capabilities and confronting U.S. and allied forces in the region.''(see footnote 20)¶ The rapid growth in China's military power not only threatens Taiwan—and by implication the U.S.—but U.S. allies throughout the Asian Pacific region. China possesses regional, even global ambitions, and is building a first-rate military to realize those ambitions. It is naive to view the PRC's military build-up as ''merely'' part of the preparations for an invasion of Taiwan in which American military assets in the Asian-Pacific will have to be neutralized.¶ China's construction of naval bases in the Indian Ocean, and its aggressive pursuit of territorial claims in the East and South China Seas point to its wider ambitions.¶ Finally, even a cursory reading of China's 2004 Defense White Paper suggests that it views U.S. power and military presence throughout the world with a jaundiced eye, and that it seeks to become, over the mid-term, the dominant power in Asia. This goal necessarily brings it into potential conflict with the U.S. and its allies, chiefly Japan.¶ CHINA IS PURSUING TERRITORIAL CLAIMS OTHER THAN TAIWAN.¶ Additional evidence that China's territorial ambitions go well beyond Taiwan comes from its aggressive pursuit of territorial claims in the East China and South China seas.(see footnote 21)¶ Since the early 1970s, Beijing has claimed the Japanese-controlled Senkaku Islands (or Tiaoyutai in Chinese) and the continental shelf that extends into Japanese territorial waters. China's increasingly aggressive intrusions into Japanese airspace and Japanese territorial waters has raise d eyebrows in Tokyo and Washington. In November 2004, for example, the Japanese navy chased a Han-class nuclear submarine away from the waters off Okinawa.¶ China also orchestrated the removal of U.S. logistics forces from the Central Asian republics, demonstrating that its commitment to fighting terrorism was less important that its desire to reduce U.S. influence and presence in the region.

#### China rise necessitates conflict- nuclear war

Walton ‘7 (C. Dale Walton, Lecturer in International Relations and Strategic Studies at the University of Reading, 2007, Geopolitics and the Great Powers in the 21st Century, p. 49)

Obviously, it is of vital importance to the United States that the PRC does not become the hegemon of Eastern Eurasia. As noted above, however, regardless of what Washington does, China's success in such an endeavor is not as easily attainable as pessimists might assume. The PRC appears to be on track to be a very great power indeed, but geopolitical conditions are not favorable for any Chinese effort to establish sole hegemony; a robust multipolar system should suffice to keep China in check, even with only minimal American intervention in local squabbles. The more worrisome danger is that Beijing will cooperate with a great power partner, establishing a very muscular axis. Such an entity would present a critical danger to the balance of power, thus both necessitating very active American intervention in Eastern Eurasia and creating the underlying conditions for a massive, and probably nuclear, great power war. Absent such a "super-threat," however, the demands on American leaders will be far more subtle: creating the conditions for Washington's gentle decline from playing the role of unipolar quasi-hegemon to being "merely" the greatest of the world's powers, while aiding in the creation of a healthy multipolar system that is not marked by close great power alliances.