Solvency

#### No labor shortage – we have enough workers and labor immigration solve.

Reinhardt and Murray ’08, [Sonya Reinhardt, Master of Environmental Management degree in the Nicholas School of the Environment and Earth Sciences of Duke University, Dr. Brian Murray, Prof of Environmental Management degree in the Nicholas School of the Environment and Earth Sciences of Duke University, May 2008“Economic Barriers to the Expansion of Nuclear Power in the United States”, <http://dukespace.lib.duke.edu/dspace/bitstream/handle/10161/526/MP_sbr7_a_200805.pdf>]

A labor shortage is not a large enough barrier to stop an expansion of new nuclear power. Not only is the nuclear industry recruiting the next generation of nuclear power plant workers, but labor immigration, which has traditionally solved this problem during other labor shortage periods, may also relieve this challenge. The global supply of uranium is not a large enough barrier to halt a new nuclear power plant build. The spot prices will continue to be volatile since the 2007 agreement between Ux Consulting and Nymex, which introduced the trading of uranium futures products for the first time, but uranium extraction will continue to be viable for at least the next 50 years.

#### No resource bottleneck – building lull has created a surplus and early order solve.

Reinhardt and Murray ’08, [Sonya Reinhardt, Master of Environmental Management degree in the Nicholas School of the Environment and Earth Sciences of Duke University, Dr. Brian Murray, Prof of Environmental Management degree in the Nicholas School of the Environment and Earth Sciences of Duke University, May 2008“Economic Barriers to the Expansion of Nuclear Power in the United States”, <http://dukespace.lib.duke.edu/dspace/bitstream/handle/10161/526/MP_sbr7_a_200805.pdf>]

The second indicator that a nuclear revival can take place is a loosening of the international bottleneck for resources used to build plants. What many proponents of nuclear power seem to overlook is that utilities in the U.S. are competing internationally for a very small supply of nuclear-grade forgings and other restricted markets for nuclear-grade pipes and conduits. Due to the thirty year lull in nuclear power plant applications, suppliers have stopped providing components. From an industry standpoint, one solution to this problem is to work with AP1000 suppliers, like Westinghouse, to identify components way ahead of time that might be scarce and immediately put in orders (Dolan 2007). Another option is to seek out suppliers besides Japan Steel Works that make forgings, but have them develop their existing operation to nuclear grade (Dolan 2007). While this would be an expensive initial investment for a company, the pay off could be considerable in the event of a world-wide nuclear revival. The Nuclear Energy Institute, the industry’s lobby group, has an effort underway to look at strategic issues concerning suppliers such as: could the U.S. make its own forgings? Is this a national policy issue?

#### Streamlining bureaucratic licensing transforms the nuclear industry – the market is strong enough to support SMRs.

Spencer 11 (Jack Spencer is Research Fellow in Nuclear Energy in the Thomas A. Roe Institute for Economic Policy Studies)

(2/15/11 “Is the President’s Small Reactor Push the Right Approach?” http://blog.heritage.org/2011/02/15/is-the-presidents-small-reactor-push-the-right-approach/)

Establishing a Regulatory Framework

The Obama budget essentially acknowledged the regulatory problem in his budget, which requests $67 million for DOE to work on licensing technical support for small light water reactors. While the intent is correct, the approach is wrong. The Administration is relying on the same bureaucratic, taxpayer-funded process that is stifling large reactor certification when it should use this opportunity to establish a new, more efficient licensing pathway.

Instead of paying for DOE bureaucrats to get in the way of commercial progress, the Administration should commit to ensuring that the U.S. Nuclear Regulatory Commission is fully equipped and prepared to regulate new reactor designs. This should include high-temperature gas-cooled reactors and liquid-metal-cooled fast reactors as well as small light water designs. This would provide a strong regulatory foundation for each of the expected design certification applications. The DOE should have no role in the process. If a company wants to get its reactor design certified for commercial use in the U.S., it should be able to go straight to the NRC for that service.

Such an approach would substantially decrease the risk associated with getting designs certified, which in turn would alleviate the need for public support. Then, instead of seeking taxpayer funds to offset regulatory risk, reactor designers could develop investors to support the certification process.

Build the Framework and They Will Come

Nuclear energy is already clean, safe, and affordable. Introducing small reactors could make it transformational. But the federal government should not drive the process. It should be supported by the market. If the underlying technology is as strong as many of us believe it to be, the federal government needs only to provide a predictable, stable, efficient, and fair regulatory environment. The rest will happen on its own—or it won’t.

Prolif

#### Global renaissance now – developing countries will choose nuclear to power their growing economies – our evidence cites a list of examples, that’s Lovering.

#### Their evidence is just a snapshot – countries have reaffirmed their commitments to nuclear power expansion, even if reactors aren’t being built yet.

Bipartisan Policy Center 12

(July 2012, “Maintaining U.S. Leadership in Global Nuclear Energy Markets”. Co-chaired by Senator Pete Domenici – senator and Dr. Warren F. “Pete” Miller. - Warren F. Miller, Jr., PhD, is a private consultant and a part time Research Professor at Texas A & M University. http://bipartisanpolicy.org/sites/default/files/Leadership%20in%20Nuclear%20Energy%20Markets.pdf)

Several other countries, by contrast, have reaffirmed their intentions to continue expanding or developing a nuclear energy program after Fukushima. These countries include China, India, South Korea, and Russia. Together, they are expected to account for 80 percent of new nuclear plant construction globally over the next decade or longer. China alone accounts for 40 percent of planned new construction globally, with 26 new reactors under development.21 Thus, global growth in nuclear energy is still expected to be positive overall.

Economy

#### Manufacturing sector lagging behind

Reuters 12

(8/29/12 “Economy Still Growing, but Manufacturing Soft: Fed” http://www.cnbc.com/id/48829221)

The U.S. economy continued to grow gradually in July and early August, but manufacturing activity was softening in many areas of the country, the Federal Reserve said on Wednesday.

In its Beige Book report of anecdotal information on business activity collected from contacts nationwide, the U.S. central bank said retail activity, including auto sales, had picked up since the last report.

"Reports from the twelve Federal Reserve districts suggest economic activity continued to expand gradually in July and early August across most regions and sectors," the Beige Book said.

The economic snapshot was prepared for use by Fed officials at their upcoming policy meeting on Sept. 12-13, when policymakers will debate whether further central bank bond purchases are warranted to spark a stronger recovery.

The economy grew at a 1.7 percent annual rate in the second quarter, supported by exports and investment in the construction of nonresidential structures. The pace was a slowdown from the 2.0 percent rate set in the first quarter.

The Beige Book captured the beginning of the third quarter and suggested the speed of the recovery was falling short of what was needed to spur faster hiring.

"Most districts reported that employment was holding steady or growing only slightly," the Fed said.

It also noted that manufacturing was softening in many districts, matching findings from recent regional factory surveys. Much of the slowdown is blamed on weak demand overseas, especially in Asia.

"Many districts reported some softening in manufacturing, either a slowdown in the rate of growth or a decline in the level of sales, output or orders," the Fed said. "Across the districts, few manufacturing firms reported any major hiring or layoffs."

Elections – China Bashing – Obama Good

### 2AC – China Bashing

#### Obama supporting SMR now – 500 million

McNelis 11 (David N. McNelis is director of the Center for Sustainable Energy, Environment and Economic Development in the Institute for the Environment at UNC-Chapel Hill.)

(6/24/11 “Safer power from smaller reactors “ http://www.newsobserver.com/2011/06/24/1295895/safer-power-from-smaller-reactors.html)

President Barack Obama has allocated $500 million to be spent on research and development of SMRs over the next five years. Energy Secretary Steven Chu says he expects an SMR to be operating in this country by the end of this decade. In Congress, Republicans and Democrats alike support SMR development.

#### Romney will win – Obama’s convention bounce is subsiding, the GOP is energized and well-funded, and their polls are skewed towards dems

Talgo 9-16

Tyler Talgo |September 16, 2012 Why Romney Will Win The Election http://www.neontommy.com/news/2012/09/why-romney-will-win-election

In the beginning of this election season, Obama had two assets working in his favor: the incumbency advantage and the fundraising effort. With early predictions that the Obama campaign would top the $1 billion mark in fundraising for his reelection bid, many speculators assumed that Romney would clearly be outmatched. However, with less than two months away from the election, the Obama campaign, DNC and Obama-supported super-pac Priorities USA have raised just $587.7 million in total donations—signaling that Obama is running out of gas. His opponents, on the other hand, have been picking up momentum in recent months. Despite being outspent by $107.7 million, the Romney campaign, RNC and Romney-supported super-pac Restore our Future have raised $524.2 million and have almost $200 million in cash on hand—putting both camps at a dead heat on the fundraising front. It was also understood at the beginning of the election season that this race would come down to the independent vote. CNN reports that among independents, Romney leads Obama 52 to 42 percent, and Talking Points Memo reports that Romney has a 46.3 to 43.5 percent lead among independents. The majority of independents in this election have chosen Romney as their candidate because they see him as the one who is better suited to fix the economy: according to Rasmussen, 50 percent trust Romney more on the economy, as compared to the 43 percent that trust Obama more on the same issue. Given the post-convention polling bounces, some may give Obama the advantage at this stage of the race, although the bounces are subsiding. For example, new NBC/WSJ polls of three swing states have Obama leading Romney by 49 to 44 percent in Florida and Virginia, and by 50 to 43 percent in Ohio. However, when we take a closer look at the numbers, a different story is revealed. In the Florida and Virginia polls, Democrats were oversampled by 5 percent, and in Ohio they were oversampled by 10 percent. Not convinced? Here’s another fact: recent CBS/NYT/Quinnipiac polls oversampled Democrats by nine percent in Florida and by eight percent in Ohio. The Florida poll had Obama at 51 percent and Romney at 45 percent, and the Ohio poll had Obama at 50 percent and Romney at 44 percent; so, both leads were smaller than the oversampling gap. If you ask me, the advantage here clearly goes to Romney; and, believe me, these are not the only examples. All of this is revealed in the context of a time in which Republicans are much more enthusiastic than Democrats. Last month the number of Americans who consider themselves Republicans was the highest ever recorded since 2002 at 37.6 percent, compared to only 33.3 percent who consider themselves Democrats. So, assuming that all else is equal, what does it mean when a national poll says something like 47 percent for Obama and 44 percent for Romney, or vise versa? The nature of the missing 10 percent is one of the most important factors that come to play in all presidential reelection campaigns. Historically, the final results in an election are almost always worse than polling suggests for an incumbent president. If you took the undecided vote, according to Gallup, from every general election since 1964 that featured an incumbent president seeking reelection, 89 percent of it went to the president’s challenger. You can bet that the Obama camp understands that a 47-44 poll in its favor is not good news at all. This is why it’s virtually unheard-of for an incumbent president to win reelection when he's polling below 50 percent. Economic indicators that differ per swing state can also play a large role in predicting the outcome of the election. Kenneth Bickers and Michael Berry, two political scientists from the University of Colorado, developed a forecasting model that has successfully predicted every presidential election since 1980. Their model predicts Romney winning the Electoral College by a 320-218 margin and 52.9 percent of the popular vote. What can be drawn from their analysis is that the financial situation of voters will have the largest impact on their ballot. On Obama’s inauguration day, the unemployment rate was 7.8 percent, the average gas price was $1.83 per gallon, the national debt was $10.6 trillion and there were 32 million food stamp recipients. Today, the unemployment rate is 8.1 percent, the average gas price is $3.87 per gallon, the national debt is $16 trillion and the number of food stamp recipients hit a record 46.7 million in June (the latest available report). Americans are not dumb enough to reelect a president who has created more food stamp recipients than jobs. In summary, there are a number of conclusions that can be safely made about the outcome of this election. The fact of the matter is that if Romney is trailing Obama by a considerable amount in a state in which Obama has high polling averages, he does not have much room to compete. But, in states in which Obama is polling in the mid-forties without a significant lead, the undecided gap will most likely favor Romney. Obama will not win any of the swing states in which he has a RealClearPolitics polling average below 49 percent and within three points of Romney, or states in which he does not have more than a five point lead overall. This includes all the swing states except Nevada, Pennsylvania and Michigan. At the end of the day, this election will be a referendum on the president’s record, and whether or not voters are better off today than they were four years ago. Barack Obama may promise hope and change again for round two, but on election day the undecided gap will only remember his promises to cut the deficit in half and maintain the unemployment rate, and his now-infamous statement, “If you’ve got a business, you didn’t build that. Someone else made that happen.” In the words of Michael Moore, “I think people should start to practice the words ‘President Romney.’”

#### Neither candidate will run against SMRs or risk alienating their base

Cox 10 (Seth P. Cox, J.D. Candidate 2010 UCLA School of Law)

(“The Nuclear Option: Promotion of Advanced Nuclear Generation as a Matter of Policy” http://works.bepress.com/seth\_cox/3/)

Advanced nuclear is a relatively privileged issue in American politics, as both sides of the domestic political spectrum feature wider development of this technology as a central component of modern energy policy. A Baptist-bootlegger coalition of progressive energy policy advocate

es, national defense voters, entrepreneurs, businesspeople, climate change advocates, and clean air activists favor nuclear as,

at least in part, the preferred alternative to meet current baseload generation needs. Progressives and environmentalists look to nuclear because it does not result in significant GHG or traditional CAA-regulated emissions. National defense voters and the business community value nuclear fuel as a “cost-effective alternative to fossil fuels that we can produce right here at home.” As stated by prominent Republican Whip, Senator John Kyl, “[f]or years republicans have sought to boost domestic energy supplies. We’ve supported safe and responsible development of our own resources.” Therefore, nuclear energy is relatively unique issue, because it is attractive to a broad swath of the American body politic. Recently, President Obama publically embraced nuclear energy and emerged as a leader of the charge. President Obama favors a pragmatic, inclusive policy to deliver America to a renewable energy economy. Moving from reliance upon conventional fuels necessitates flexibility, as “changing the ways we produce and use energy...demands of us a willingness to extend our hand across old divides, to act in good faith, to move beyond the broken politics of the past.” The President is pushing ahead with this agenda on many fronts, simultaneously citing development of new nuclear capacity as an engine of job growth, innovation, and increasingly efficient energy. President Obama contends America ignores nuclear at its own peril. Foregoing advanced nuclear threatens to competitively disadvantage innovation in the U.S. as, “the commitment of ... countries [currently constructing new reactors] is not just in generating the jobs in those plants, it’s generating demand for expertise and new technologies.” The President also considers pursuit of new nuclear capacity as an alternative to stalled climate legislation. The President is pushing to “build a new generation of safe, clean, nuclear power plants” as a part of package of a number of diverse alternatives, including, “continued investment in advanced biofuels and clean coal technology, even as we build greater capacity among renewables.” Nuclear is politically privileged, as both sides of the political spectrum, the legislative, and the executive branches of American governance favor promotion of nuclear as a matter of policy. The nuclear energy industry is emerging from the shadows reinvigorated, and gaining political traction. A variety of diverse interests spanning the political spectrum are advocating advanced nuclear. The industry appears primed for a comeback. Yet, promotion of nuclear energy as a matter of policy demands a more robust analysis. In the sections that follow, conditions favorable and adverse to a renewed nuclear sector are presented and analyzed, so as to secure and advance all advantageous conditions and circumstances, while identifying and surmounting significant obstacles to this objective.

#### The public is more likely to never hear about the plan than to freak out

Wood 12

Elisa Wood is a long-time energy writer whose free newsletter on energy efficiency is available at RealEnergyWriters.com August 8, 2012 What Voters Don't Know About Energy http://energy.aol.com/2012/08/08/what-voters-don-t-know-about-energy/#

Funny thing about Americans. We've got strong opinions about what's wrong with energy, especially when [gasoline prices rise](http://energy.aol.com/2012/02/23/alternatives-highlighted-as-oil-markets-lift-pump-prices/), but our passion tends to exceed our understanding. Polling indicates we hold strong sentiments about [energy independence](http://energy.aol.com/2012/07/10/beyond-energy-independence-us-could-become-exporter/) and renewables. Yet key details elude us. More than half of Americans cannot name one type of renewable energy and nearly 40 percent can't identify a fossil fuel, according to New York-based research organization [Public Agenda](http://energy.aol.com/tag/Public+Agenda/). Many wrongly think the US gets most of its oil from the Middle East, and few realize that it will be years before green energy makes up a large portion of our resource mix. Even when there is money on the table, we are often oblivious. An [Associated Press](http://energy.aol.com/tag/Associated+Press/)-NORC Center for Public Affairs Research poll found that less than 20 percent of Americans know important details about energy efficiency rebates, tax credits, and other incentives available to them. **Big, controversial energy news passes us by.** Half of the population is unaware of [TransCanada](http://energy.aol.com/tag/TransCanada/)'s Keystone XL project, according to a [Yale University](http://energy.aol.com/tag/Yale+University/) and [George Mason University](http://energy.aol.com/tag/George+Mason+University/) study, despite the uproar over President Obama's decision t

o deny the project a presidential permit in January. What are we Talking About? Yet bring up global warming at a party and watch the opinions fly. (More than two-thirds of Americans say the US should make either a large-scale or medium-scale effort to reduce global warming, according to the Yale/George Mason study.) "We are having all of these big political debates over fossil fuels and a good portion of the population doesn't even know what they are talking about," said Jean Johnson, a senior fellow at Public Agenda and author of the book, "Who Turned Out the Lights?" It's not surprising really; voters are distracted and few have the time or interest to delve into energy complexities. The ailing economy looms as a larger preoccupation. "They have busy lives. They are not sitting over EIA [US Energy Information Administration] books looking at statistics," said Rayola Dougher, senior economic advisor for the American Petroleum Institute, which has a Vote4Energy media campaign underway.

#### Pubic likes nuclear – years of polls prove

Raftery 11 (Colonel James J. Raftery Jr.)

(Performing actor: Kent H. Butts, Ph.D. Center for Strategic LeadershipUnited States Army EXAMINATION OF TERRESTRIAL NUCLEAR ENERGY’S RELEVANCE TO U.S. NATIONAL SECURITY. http://www.dtic.mil/cgi-bin/GetTRDoc?AD=ADA553129)

For more than a decade, Gallup has been querying Americans to answer the following question: ―Overall do you strongly favor, somewhat favor, somewhat oppose, or strongly oppose the use of nuclear energy as one of the ways to provide electricity for the U.S.?‖33 In each year, except 2001, favorable responses outnumbered opposing ones.34 In an article dated March 22, 2010, Gallup reported that: Support has edged up in the last two years, eclipsing 60% this year for the first time. In addition, 28% of Americans now say they "strongly favor" nuclear power, also the highest Gallup has measured since the question was first asked in 1994.35

#### China bashing is just talk

Drum 12

Kevin Drum is a political blogger for Mother Jones Jul. 17, 2012 “Obama and Romney Both Love Free Trade” http://www.motherjones.com/kevin-drum/2012/07/obama-and-romney-both-love-free-trade

Agreed. China-bashing is a perennial topic among presidential candidates, but it never amounts to much. It just makes for good stump speeches. Ditto for trade-bashing. Obama and Hillary Clinton both swore mighty oaths that they hated NAFTA back when they were competing for blue-collar votes in the 2008 Ohio primary, and then never mentioned NAFTA again after election day. As with China-bashing, it's good red meat for the masses, but means nothing. The current round of outsourcing/offshoring speechifying is similarly meaningless. It's good campaign fodder, but Obama and Romney will both follow fairly traditional trade policies over the next four years regardless of what they say now. If you're a fan of trade agreements, you should just turn down the volume on your TV set for the next few months and not worry about things. None of it matters.

#### It’s jurisdictionally impossible for Romney to follow through on his china bashing agenda

Lee 8-25

Peter Lee Aug 25, 2012 Romney stays in character on China http://www.atimes.com/atimes/China/NH25Ad04.html

A centerpiece of candidate Romney's surprisingly insubstantial foreign policy portfolio is China bashing, in the form of the crowd-pleasing assertion that, on Day One of his presidency, he will designate China a "currency manipulator" and instruct the Department of Commerce to impose countervailing duties if Beijing doesn't behave. [3] This is meant to make a marked contrast with the Obama Treasury Department, which declined to make the currency manipulator designation this year. As Scott Lincicome, an experienced international trade litigator (and, it might be noted, a libertarian fan of Romney running-mate Paul Ryan's economic policies) wrote on his blog, the Romney China plank is pure, election-year BS: Treasury's assessment must be done in consultation with the IMF [International Monetary Fund] and pursuant to pretty strict guidelines. In short, the president can't just tell the Treasury to designate a country a "currency manipulator," and he/she certainly can't do it publicly via Executive Order (as Romney's plan promises). To do so would not only violate the letter of the law, but also destroy the Treasury report's credibility. Second, the president can't just instruct the Commerce Department to begin imposing countervailing duties on Chinese goods. Pursuant to US trade law and regulations, the imposition of countervailing duties on imports requires (i) a petition from an affected industry or self-initiation by Commerce ...; (ii) preliminary and final findings, based on extensive evidence (including rebuttal from Chinese producers, US importers and the Chinese government) ... ; and (iii) preliminary and final findings by the non-partisan International Trade Commission that said imports are injuring the US industry. Each of these steps is required by US law and WTO [World Trade Organization] rules. So Romney's plan to, on the very first day of his presidency, just start imposing CVDs [countervailing duties] on Chinese imports would be in direct conflict with both US law and the United States' WTO obligations. [4] A further difficulty for Romney is that the merits of the case against the PRC as a currency manipulator are becoming rather thin, and serve as a rather poor justification (on grounds of cost-benefit as well as principle) for a session of scorched-earth countervailing duty trade warfare.

#### China relations – issues compartmentalized and don’t spill over to broader relations

Xijin 12

Hu Xijin, editor in chief of the Global Times, a Chinese newspaper, 3/21/2012 (<http://www.foreignpolicy.com/articles/2012/03/21/hollow_threats>)

As for the U.S.-China row over things like rare earths, the exchange rate, and even human rights, all these conflicts have been very specific, and they haven't capsized the whole relationship. We believe the person whom the Americans elect to enter the White House will, at the very least, have rational thoughts. Romney won't make the mistake of turning a specific conflict into a showdown with 1.3 billion Chinese people.

#### Zoellick nomination proves Romney will moderate on china

Shobert 12

Benjamin A Shobert is the managing director of Rubicon Strategy Group, a consulting firm specialized in strategy analysis for companies looking to enter emerging economies Aug 17, 2012 Romney's China hand encounters rough seas http://www.atimes.com/atimes/China/NH17Ad01.html

The struggles of Republican presidential nominee Mitt Romney to define a coherent China policy continued last week. The nomination of Robert Zoellick, former World Bank Group president, to head Romney's national-security transition team has drawn the ire of prominent neo-conservatives who take issue with a variety of Zoellick's foreign-policy positions, not least of which is his "pro-China" orientation. The problems Romney has encountered speak to the distrust many hardline conservatives have toward his candidacy: Should they take his many changes of heart as sincere, or as political necessities? If the latter, can they trust him to govern in ways consistent with their values, or should they expect him to reverse course? These misgivings explain why many from the neo-conservative wing of the party are quick to react when Romney appears ready to tack to the moderate middle, as his nomination of Zoellick suggested. Thus far, Romney's public statements about China are noticeably different from those of past Republican candidates. His emphasis on China has led many pundits to proclaim that a Romney-led administration would "get tough" on Beijing. He has famously declared his intentions to identify China as a currency manipulator on "Day 1" of his presidency. All of these are interesting comments from the otherwise conventional, pro-business Republican, and markedly different from those of past Republican nominees whose emphasis on free trade and access to China was an all but explicit part of their platforms. It is widely accepted that if elected, Romney's position toward China would tack to these traditional Republican stances, an opinion reinforced by Zoellick's nomination. In nominating Zoellick, it appeared Romney was signaling to the world an acknowledgement that his administration would come back to center on foreign-policy matters.

No regime collapse.

Platt 8/30 [STEPHEN PLATT & JEFFREY WASSERSTROM - Stephen Platt is the author of Autumn in the Heavenly Kingdom: China, the West, and the Epic Story of the Taiping Civil War. Jeffrey Wasserstrom is the author of China in the 21st Century and co-editor of Chinese Characters: Profiles of Fast-Changing Lives in a Fast-Changing Land. AUG 30 2012, 12:14 PM ET http://www.theatlantic.com/international/archive/2012/08/chinas-long-history-of-defying-the-doomsayers/261783/]

Still, not all of the CCP's efforts have been so defensive in nature. The Party has also made some positive changes, such as loosening controls on private life, helping boost living standards, and raising China's global influence, all of which have likely made it easier for Chinese citizens to tolerate or even support the Party's rule. The Party is talented at adapting incrementally, changing course a bit at a time. This can work for a while, even a long while, but that doesn't mean it can go on indefinitely. Both of the CCP's two most recent predecessors, struggling to maintain their legitimacy, eventually attempted their own complete reinvention. In the early 1900s, the Qing dynasty, in a failed bid to outrun the forces of revolution from within, abolished the Confucian examinations that legitimized it for more than two centuries and tried to reinvent itself as a constitutional monarchy. Taiwan, under Nationalist control from the late 1940s on, began its transformation into a thriving democracy under the watch of Chiang Kai-shek's son. Today, a Party president rules Taiwan not as a dictator but as an elected official. China's military is presently powerful enough and its diplomacy stable enough that the Communist Party faces no realistic threats

from outside. Internally, its control over society is effective enough that, while unrest and discontent may be widespread, there are neither well-organized opposition parties nor rebellious armies that might seriously challenge the central government. For now, the Communist Party finds itself in a position that would be enviable to the officials of the late Qing. It could, if it wished, reinvent itself with a new legitimizing narrative, or even open the way to a new multiparty political structure as the Nationalists did in Taiwan, likely without fear of being overthrown in the process. If it does not make such changes, however, then it seems likely that the corruption and internal dissent of today will continue to mount. If that happens, then it is likely only a matter of time until that dissent and corruption reach a critical mass necessary to end the regime. But, as the world learned from the late Lord Macartney's failed prediction, those processes can take many generations longer than we might expect. Even if the Communist Party's legitimacy does weaken enough for the party to fall, it might not be in any of our lifetimes.

Counterplan

## Water Shorages

### 2AC Water Wars

#### Global SMR solves water – impact is wars and millions of premature deaths

Palley 11 (Reese Palley - 1945-1949 The New School for Social Research¶ 1949-1952 The London School of Economics. Writer and historian)

(*The Answer: Why Only Inherently Safe, Mini Nuclear Power Plants Can Save Our World.* Pg. 168-171)

Desalinization and World Water Shortage

In 1990 Florida, Georgia, and Alabama began fighting over scarce water rights from increasingly scarce sources. After twenty years of fighting over the water from Lake Lanier, the sole source of most of the potable water for Atlanta, the city lost a federal court decision and now faces the daunting task of finding six hundred million gallons of potable water a day that just might not exist.

This is far from an isolated case in the United States, as states and municipalities are loading increas¬ing demands on limited supplies of water. The battle in the West has so far been contained within the courts.

The third world has long been rent in recent droughts, by the search for water. In subsistence economies, on marginal land water is not a convenience but a matter of life and death. As a result small wars have been fought, rivers diverted, and wells poisoned in what could be a warning of what is to come as industrialized nations begin to face failing water supplies.

Quite aside from ,the demand for potable water is the dependence of enormous swaths of industry and agriculture on oceans of water used for processing, ena¬bling, and cleaning a thousand processes and products. It is interesting to note that fresh water used in both industry and agriculture is reduced to a nonrenewable resource as agriculture adds salt and industry adds a chemical brew unsuitable for consumption.

More than one billion people in the world already lack access to clean water, and things are getting worse. Over the next two decades, the average supply of water ^per person will drop by a third, condemning millions of people to waterborne diseases and an avoidable prema¬ture death.81

So the stage is set for water access wars between the first and the third worlds, between neighbors down-stream of supply, between big industry and big agricul¬ture, between nations, between population centers, and ultimately between you and the people who live next door for an already inadequate world water supply that is not being renewed. As populations inevitably increase, conflicts will intensify.82

It is only by virtue of the historical accident of the availability of nuclear energy that humankind now has the ability to remove the salt and other pollutants to supply all our water needs. The problem is that desali¬nation is an intensely local process. Some localities have available sufficient water from renewable sources to take care of their own needs, but not enough to share with their neighbors, and-it is here that the scale of nuclear energy production must be defined locally.

Large scale 1,000 MWe plants can be used to desal¬inate water as well as for generating electricity. However we cannot build them fast enough to address the prob¬lem, and, if built they would face the extremely expen¬sive problem of-distributing the water they produce. Better, much better, would be to use small desaliniza-tion plants sited locally.

Beyond desalination for human use is the need to green some of the increasing desertification of vast areas such as the Sahara. Placing twenty 100 MWe plants a hundred miles apart along the Saharan coast would green the coastal area from the Atlantic Ocean to the Red Sea, a task accomplished more cheaply and quickly than through the use of gigawatt plants.83 This could proceed on multiple tracks wherever deserts are avail¬able to be reclaimed.

Leonard Orenstein, a researcher in the field of desert reclamation, speculates:

If most of the Sahara and Australian outback were planted with fast-growing trees like eucalyptus, the forests could draw down about 8 billion tons of carbon a year—nearly as much as people emit from burning fossil fuels today. As the forests matured, they could continue taking up this much carbon for decades.84

The use of small, easily transported, easily sited, and walk away safe nuclear reactors dedicated to desali-nation is the only answer to the disproportionate distri¬bution of water resources that have distorted human habitation patterns for millennia. Where there existed natural water, such as from rivers, great cities arose and civilizations flourished. Other localities lay barren through the ages. We now have the power, by means of SMRs profiled to local conditions, not only to attend to existing water shortages but also to smooth out dispro¬portionate water distribution and create green habita¬tion where historically it has never existed.

The endless wars that have been fought, first over solid bullion gold and then over oily black gold, can now engulf us in the desperate reach for liquid blue gold. We need never fight these wars again as we now have the nuclear power to fulfill the biblical ability to "strike any local rock and have water gush forth."

#### Water wars go nuclear.

Weiner ’90(Jonathan, Prof at Princeton U, *The Next 100 Years*. p.270)

If we do not destroy ourselves with the A-bomb and the H-bomb, then we may destroy ourselves with the C-bomb, the Change Bomb. Andin a world as interlinked as ours, one explosion may lead to the other**.** Already in the Middle East, tram North Africa to the Persian Gulf and from the Nile to the Euphrates, tensions over dwindling water supplies and rising populations are reaching what many experts describe as a flashpoint A climate shift in that single battle-scarred nexus might trigger international tensions that will unleashsome at the 60.000 nuclear warheadsthe world has stockpiled since Trinity.

Neolib K

#### Reject their impact framing and theory of social interaction. The terminology of “neoliberalism” encourages fake radicalism, oversimplification, and greater levels of cooptation than positive and pragmatic politics like the aff – over confines the scope of legitimate action

Clive BARNETT Faculty of the Social Sciences @ Open University (UK) ‘5 “The Consolations of ‘Neoliberalism’” Geoforum 36 (1) p. Science Dirct

3. There is no such thing as neoliberalism! The blind-spot in theories of neoliberalism—whether neo-Marxist and Foucauldian—comes with trying to account for how top-down initiatives ‘take’ in everyday situations. So perhaps the best thing to do is to stop thinking of “neoliberalism” as a coherent “hegemonic” project altogether. For all its apparent critical force, the vocabulary of “neoliberalism” and “neoliberalization” in fact provides a double consolation for leftist academics: it supplies us with plentiful opportunities for unveiling the real workings of hegemonic ideologies in a characteristic gesture of revelation; and in so doing, it invites us to align our own professional roles with the activities of various actors “out there”, who are **always framed as engaging in resistance** or contestation. The conceptualization of “neoliberalism” as a “hegemonic” project does not need refining by adding a splash of Foucault. Perhaps we should try to do without the concept of “neoliberalism” altogether, because it might actually compound rather than aid in the task of figuring out how the world works and how it changes. One reason for this is that, between an overly economistic derivation of political economy and an overly statist rendition of governmentality, stories about “neoliberalism” manage to reduce the understanding of social relations to a residual effect of hegemonic projects and/or governmental programmes of rule (see Clarke, 2004a). Stories about “neoliberalism” pay little attention to the pro-active role of socio-cultural processes in provoking changes in modes of governance, policy, and regulation. Consider the example of the restructuring of public services such as health care, education, and criminal justice in the UK over the last two or three decades. This can easily be thought of in terms of a “hegemonic” project of “neoliberalization”, and certainly one dimension of this process has been a form of anti-statism that has rhetorically contrasted market provision against the rigidities of the state. But in fact these ongoing changes in the terms of public-policy debate involve a combination of different factors that add up to a much more dispersed populist reorientation in policy, politics, and culture. These factors include changing consumer expectations, involving shifts in expectations towards public entitlements which follow from the generalization of consumerism; the decline of deference, involving shifts in conventions and hierarchies of taste, trust, access, and expertise; and the refusals of the subordinated, referring to the emergence of anti-paternalist attitudes found in, for example, women’s health movements or anti-psychiatry movements. They include also the development of the politics of difference, involving the emergence of discourses of institutional discrimination based on gender, sexuality, race, and disability. This has disrupted the ways in which welfare agencies think about inequality, helping to generate the emergence of contested inequalities, in which policies aimed at addressing inequalities of class and income develop an ever more expansive dynamic of expectation that public services should address other kinds of inequality as well (see Clarke, 2004b J. Clark, Dissolving the public realm? The logics and limits of neo-liberalism, Journal of Social Policy 33 (2004), pp. 27–48.Clarke, 2004b). None of these populist tendencies is simply an expression of a singular “hegemonic” project of “neoliberalization”. They are effects of much longer rhythms of socio-cultural change that emanate from the bottom-up. It seems just as plausible to suppose that what we have come to recognise as “hegemonic neoliberalism” is a muddled set of ad hoc, opportunistic accommodations to these unstable dynamics of social change as it is to think of it as the outcome of highly coherent political-ideological projects. Processes of privatization, market liberalization, and de-regulation have often followed an ironic pattern in so far as they have been triggered by citizens’ movements arguing from the left of the political spectrum against the rigidities of statist forms of social policy and welfare provision in the name of greater autonomy, equality, and participation (e.g. Horwitz, 1989). The political re-alignments of the last three or four decades cannot therefore be adequately understood in terms of a straightforward shift from the left to the right, from values of collectivism to values of individualism, or as a re-imposition of class power. The emergence and generalization of this populist ethos has much longer, deeper, and wider roots than those ascribed to “hegemonic neoliberalism”. And it also points towards the extent to which easily the most widely resonant political rationality in the world today is not right-wing market liberalism at all, but is, rather, the polyvalent discourse of “democracy” (see Barnett and Low, 2004). Recent theories of “neoliberalism” have retreated from the appreciation of the long-term rhythms of socio-cultural change, which Stuart Hall once developed in his influential account of Thatcherism as a variant of authoritarian populism. Instead, they favour elite-focused analyses of state bureaucracies, policy networks, and the like. One consequence of the residualization of the social is that theories of “neoliberalism” have great difficulty accounting for, or indeed even in recognizing, new forms of “individualized collective-action” (Marchetti, 2003) that have emerged in tandem with the apparent ascendancy of “neoliberal hegemony”: **environmental politics and the politics of sustainability**; new forms of consumer activism oriented by an ethics of assistance and global solidarity; the identity politics of sexuality related to demands for changes in modes of health care provision, and so on (see Norris, 2002). All of these might be thought of as variants of what we might want to call bottom-up governmentality. This refers to the notion that non-state and non-corporate actors are also engaged in trying to govern various fields of activity, both by acting on the conduct and contexts of ordinary everyday life, but also by acting on the conduct of state and corporate actors as well. Rose (1999, pp. 281–284) hints at the outlines of such an analysis, at the very end of his paradigmatic account of governmentality, but investigation of this phenomenon is poorly developed at present. Instead, the trouble-free amalgamation of Foucault’s ideas into the Marxist narrative of “neoliberalism” sets up a simplistic image of the world divided between the forces of hegemony and the spirits of subversion (see Sedgwick, 2003, pp. 11–12). And **clinging to this image only makes it all the more difficult to acknowledge the possibility of positive political action** that does not conform to a **romanticized picture of rebellion**, c

ontestation, or protest against domination (see Touraine, 2001). Theories of “neoliberalism” are unable to recognize the emergence of new and innovative forms of individualized collective action because their critical imagination turns on a simple evaluative opposition between individualism and collectivism, the private and the public. The radical academic discourse of “neoliberalism” frames the relationship between collective action and individualism simplistically as an opposition between the good and the bad. In confirming a narrow account of liberalism, understood primarily as an economic doctrine of free markets and individual choice, there is a peculiar convergence between the radical academic left and the right-wing interpretation of liberal thought exemplified by Hayekian conservatism. By obliterating the political origins of modern liberalism—understood as answering the problem of how to live freely in societies divided by interminable conflicts of value, interest, and faith—the discourse of “neoliberalism” reiterates a longer problem for radical academic theory of being unable to account for its own normative priorities in a compelling way. And by denigrating the value of individualism as just an ideological ploy by the right, the pejorative vocabulary of “neoliberalism” invites us to take solace in an image of collective decision-making as a practically and normatively unproblematic procedure. The recurrent problem for theories of “neoliberalism” and “neoliberalization” is their two-dimensional view of both political power and of geographical space. They can only account for the relationship between top-down initiatives and bottom-up developments by recourse to the language of centres, peripheries, diffusion, and contingent realizations; and by displacing the conceptualization of social relations with a flurry of implied subject-effects. The turn to an overly systematized theory of governmentality, derived from Foucault, only compounds the theoretical limitations of economistic conceptualizations of “neoliberalism”. The task for social theory today remains a quite classical one, namely to try to specify “the recurrent causal processes that govern the intersections between abstract, centrally promoted plans and social life on the small scale” (Tilly, 2003, p. 345). Neither neoliberalism-as-hegemony nor neoliberalism-as-governmentality is really able to help in this task, not least because both invest in a deeply embedded picture of subject-formation as a process of “getting-at” ordinary people in order to make them believe in things against their best interests. With respect to the problem of accounting for how “hegemonic” projects of “neoliberalism” win wider consensual legitimacy, Foucault’s ideas on governmentality seem to promise an account of how people come to acquire what Ivison (1997) calls the “freedom to be formed and normed”. Over time, Foucault’s own work moved steadily away from an emphasis on the forming-and-norming end of this formulation towards an emphasis on the freedom end. This shift was itself a reflection of the realization that the circularities of poststructuralist theories of subjectivity can only be broken by developing an account of the active receptivity of people to being directed. But, in the last instance, neither the story of neoliberalism-as-hegemony or of neoliberalism-as-governmentality can account for the forms of receptivity, pro-activity, and generativity that might help to explain how the rhythms of the everyday are able to produce effects on macro-scale processes, and vice versa. So, rather than finding convenient synergies between what are already closely related theoretical traditions, perhaps it is better to keep open those tiresome debates about the degree of coherence between them, at the same time as trying to broaden the horizons of our theoretical curiosity a little more widely.

#### Alt fails – elite backlash.

Anderson 84

Perry Anderson, Professor of Sociology at UCLA, Marxist Scholar, 1984, In the tracks of historical materialism, p. 102-103

That background also indicates, however, what is essentially missing from his work. How are we to get from where we are today to where he point us to tomorrow? There is no answer to this question in Nove. His halting discussion of “transition” tails away into apprehensive admonitions to moderation to the British Labor Party, and pleas for proper compensation to capitalist owners of major industries, if these are to be nationalized. Nowhere is there any sense of what a titanic political change would have to occur, with what fierceness of social struggle, for the economic model of socialism he advocates ever to materialize. Between the radicalism of the future end-state he envisages, and the conservatism of the present measures he is prepared to countenance, there is an unbridgeable abyss. How could private ownership of the means of production ever be abolished by policies less disrespectful of capital than those of Allende or a Benn, which he reproves? What has disappeared from the pages of The Economics of Feasible Socialism is virtually all attention to the historical dynamics of any serious conflict over the control of the means of production, as the record of the 20th century demonstrates them. If capital could visit such destruction on even so poor and small an outlying province of its empire in Vietnam, to prevent its loss, is it likely that it would suffer its extinction meekly in its own homeland? The lessons of the past sixty-five years or so are in this respect without ambiguity or exception, there is no case, from Russia to China, from Vietnam to Cuba, from Chile to Nicaragua, where the existence of capitalism has been challenged, and the furies of intervention, blockade and civil strife have not descended in response. Any viable transition to socialism in the West must seek to curtail that pattern: but to shrink from or to ignore it is to depart from the world of the possible altogether. In the same way, to construct an economic model of socialism in one advanced country is a legitimate exercise: but to extract it from any computable relationship with a surrounding, and necessarily opposing, capitalist environment—as this work does—is to locate it in thin air.

#### They rely on the concept of neoliberal hegemony as “consent”—but they have no actual account of how or why consent occurs.

Clive BARNETT Faculty of the Social Sciences @ Open University (UK) ‘5 “The Consolations of ‘Neoliberalism’” Geoforum 36 (1) p. Science Dirct

The political economy conceptualization of “hegemony” is related to a particular framing of the geographies of “neoliberalism”. On the one hand, it supports the idea that “neoliberalism” diffuses downwards and outwards from a coherent set of institutional sites located in the United States and Europe. On the other hand, this means that academics can reassure themselves about their sensitivity to difference and contingency by insisting that “neoliberalism” arrives differently in different places, combining with other processes to produce distinctive manifestations of what, nevertheless, remain varieties of a single genus. The recent turn to Foucault amongst theorists of neoliberalism fits well with this geographical framing of the centres and peripheries, necessary properties and contingent realizations, of “neoliberal hegemony”. Foucault is invoked in two ways. Firstly, in the diffusionistic narrative of neoliberalism-as-hegemony, extensive use is made of the idea that “neoliberalism” can be understood as a “discourse”, where this is understood to refer to the institutionally located and regulative usage of ideas and concepts to shape pictures of reality. The concept of discourse is therefore understood instrumentally, as a synonym for ideology. It is used to refer to a set of imaginary-representative tools deployed by specific groups in pursuit of their interest in augmenting their own power. The attraction of the concept of hegemony is supposed to lie in its broadening out of the ways in which political domination is meant to operate—through consent as well as coercion. But the recurrent feature of the political-economy invocation of hegemony is that it lacks any clear sense of how consent is actually secured, or any convincing account of how hegemonic projects are anchored at the level of everyday life, other than implying that this works by “getting at” people in some way or other. A

nd this is where the second use of Foucault in theories of neoliberalism-as-hegemony comes to the fore. Extending the range of activities that are commodified, commercialized and marketized necessarily implies that subjectivities have to be re-fitted as active consumers, entrepreneurial subjects, participants, and so on. Accordingly, the notion of “governmentality” is appealed to in order to explain how broad macro-structural shifts from state regulation to market regulation are modulated with the micro-contexts of everyday routines. In the emerging paradigm which sees “neoliberalism” through the lens of Foucault’s ideas on governmentality, there is a repeated tendency to interpret governmentality as a distinctive modality of state action. On this reading, governmentality refers to a mutation of state-power that allows for the more precise and incipient regulation of conduct at a very detailed level at the same time as extending the reach of state power over large territorial scales. The literature on governmentality provides theorists of neoliberalism with a set of concepts—such as “apparatuses”, “technologies”, and “assemblages”—that are understood to be the instrumental mechanisms by which clearly defined actors, possessed with clearly articulated interests, pursue their clearly articulated programmes. Unfortunately, Foucault’s ideas on governmentality, as systematized by writers like Nikolas Rose, cannot actually do the work that they are called upon to do by theorists of “neoliberalism”. This is because when it comes to defining how top-down initiatives are articulated to everyday routines, theories of governmentality have exactly the same problem as theories of neoliberalism-as-hegemony. This problem is completely elided in Foucault’s influential work on discipline, wherein detailed and bounded spatio-temporal routines automatically inscribe precise subject-effects. In contrast, the attraction of notions such as governmentality and biopolitics is that they address a different scale of activities—that of whole networks of institutions, bureaucracies, and states. But there is still a persistent tendency to assume that governmentality simply refers to the extension of a disciplinary mode of power over larger spatial scales under the auspices of the territorialized state. The trade-off between the scope and intensity of forms of rule that is implied by the idea of governing-at-a-distance is therefore ignored (see Barnett, 2001 and Allen, 2003). In this elision of discipline and governmentality, Foucault’s authority is invoked to refine a story that continues to present the reproduction of power-relations as a matter of social control.

#### Free trade reduces the risk of conflict by raising the cost of war

Griswold, Associated Director of the Center for Trade Policy Studies at the CATO Institute in Washington, 02 (Daniel, “seven Moral Arguments for Free Trade,” The Insider, 01 May, http://www.insideronline.org/feature.cfm?id=106)

In an 1845 speech in the British House of Commons, Richard Cobden called free trade “that advance which is calculated to knit nations more together in the bonds of peace by means of commercial intercourse.” Free trade does not guarantee peace, but it does strengthen peace by raising the cost of war to governments and their citizens. As nations become more integrated through expanding markets, they have more to lose should trade be disrupted.

In recent years, the twin trends of globalization and democratization have produced their own “peace dividend”: since 1987, real spending on armaments throughout the world has dropped by more than one-third. Since the end of the Cold War, the threat of major international wars has receded. Those nations most closely associated with international terrorism – Libya, Sudan, Syria, Iraq, Iran, Afghanistan, and North Korea – are among the least globalized countries in the world in terms of non-oil trade and foreign investment. Not one of them belongs to the World Trade Organization.

During the 1930s, the industrialized nations waged trade wars against each other. They raised tariffs and imposed quotas in order to protect domestic industry. The result, however, was that other nations only raised their barriers even further, choking off global trade and deepening and prolonging the global economic depression. Those dark economic times contributed to the conflict that became World War II. America’s post-war policy of encouraging free trade through multilateral trade agreements was aimed at promoting peace as much as it was prosperity.

Putin is strong – opposition is divided.

Monaghan 12 [Andrew, Research Advisor in the Research Division of the NATO Defense College (NDC) in Rome July 2012 The end of The PuTin era? http://carnegieendowment.org/files/end\_of\_putin.pdf]

Yet, all forms of opposition are fractured and far from presenting a real challenge to the Putin system. The demonstrations remain limited in scale and are not the face of a swelling, unified opposition democratic movement. Moreover, the careers of the current systemic opposition leaders may be end- ing. Its senior figures were defeated handily in the presidential election and are now likely to wrestle with internal power struggles. Setting the movement back further is Putin’s unwillingness to guarantee that he will engage in the kind of reforms that many opponents and some supporters claim are required. An attempt to implement slow, evolutionary change appears to be the most likely way forward for the Russian leadership. This was already seen in one of the Kremlin’s early responses to the demon- strations—the dismissal of a number of officials and the promise that after the election there would be a serious “rotation” of personnel. A rotation, however, does not mean a deep reshuffle with the firing of senior officials. In the immediate term at least, Putin is not losing power. Of course, with the left-leaning parties in parliament offering some opposition and numerous practical difficulties wracking the country, from insufficient or decrepit infra- structure to corruption, Putin’s leadership team still confronts many chal- lenges. But it is far from clear that the end of the Putin era is nigh.

No Russian fragmentation.

Ross 5 [Cameron, professor of Russian politics, Federalism and Electoral Authoritarianism under Putin

Demokratizatsiya, June 22, 2005, L/N]

There are a number of factors that hinder the disintegration of Russia as a nation-state. Among them are: 1)The hostility of Russian culture in the countries bordering Russia in the south and far East 2) the threat that foreign bodies in the Far East and south will expand their influence and perhaps even annex some Russian territories, 3) the common cultural and lingual heritage of Russians living in the most remote regions with the rest of the Russian population, and 4) the interest of most regions in the maintenance of a greater nation-state for political, economic, and social reasons.

#### Conditionality is bad –

#### 1. Depth and aff strategy – they incentivize teams going for the least developed instead of the best arguments and contradictory worlds forces double-turns

#### 2. Time skew – moots aff speech time, kills fairness

#### 3. Aff ground – they can nullify our offense by saying “not going for it” – kills education

#### 4. voting issue – dispo solves their offense

Russia DA

#### Nukes won’t trade off with oil – only .6% of oil goes to electricity production.

Styles ’11, Geoffrey Styles, Managing Director of GSW Strategy Group, LLC, an energy and environmental consulting firm, MBA and BS in chemistry, 1-29-11, “Displacing More Oil from Power Generation,” <http://energyoutlook.blogspot.com/2011/01/displacing-more-oil-from-power.html>

Based on Department of Energy data the US generated just 0.9% of our electricity from petroleum and its products in the last year, with more than a third of that fueled by petroleum coke, a low-value solid byproduct of oil refining. The 43.5 million barrels of petroleum liquids used in power generation in 2009 represented only 0.6% of the 6.9 billion barrels the US consumed that year. When you break that sliver down by location, much of it is used for either backup generation or on islands or other remote locations. In other words, the remaining potential to displace oil from power generation in the US is very small and not necessarily well-suited to the intermittent renewable energy technologies now in favor. (That should change as electric vehicles enter the fleet by the millions, but that prospect remains some years off, at least.)

Link not overnight

* By the time hybrid cars built -

#### OPEC will just cut back production to keep high prices – newest EIA projections confirm

Michael Levi, David M. Rubenstein Senior Fellow for Energy and the Environment, Council on Foreign Relations; Director of the Program on Energy Security and Climate Change, Council on Foreign Relations “Think Again: The American Energy Boom”, 6/18/12, http://www.foreignpolicy.com/articles/2012/06/18/think\_again\_the\_american\_energy\_boom?page=0,0 //jchen

"We Can Drill Our Way Out of High Prices."

Don't bet on it. Some people claim that unleashing U.S. oil and gas resources would slash the price of crude. Who can forget the cries of "Drill, Baby, Drill!" that saturated airwaves during the 2008 presidential campaign? Others insist that, because oil is priced on a global market, increased U.S. output wouldn't move the needle. Even Douglas Holtz-Eakin, the top economist for John McCain's 2008 presidential campaign, has written, "Domestic action to increase production will not lower gas prices set on a global market."

The precise truth lies somewhere in between. If U.S. producers were able to massively ramp up output, the ultimate impact would mostly boil down to one big question: How would other big oil producers (mainly the Saudis and the rest of OPEC) respond to a surge in U.S. supplies?

To stop prices from falling, they could cut back their output in response to new U.S. production, much

as they've tried to in the past. That's essentially what happens in the much-cited projections by the Energy Information Administration. In one recent exercise, for example, it looked at what would happen to gasoline prices if U.S. oil production grew by about a million barrels a day. The net impact was a mere 4 cents a gallon fall. Why? All but a sliver of the increase in U.S. output was matched by cutbacks in the Middle East, leaving oil prices barely changed.

No link just says reduces oil dependence – can still do social spending

#### Diversification solves.

Times (UK) 12/20/2007 “Looking to diversify from an oil economy”

One man who thinks so is Igor Vdovin, the flamboyant multimillionaire who chairs Russia’s National Agency for Direct Investment (Nadi). A leader in the field diversifying the country’s energy-focused economy, Vdovin may be better known inside Russia for his summer wedding to Anastasia Volochkova, a ballerina once allegedly fired from the Bolshoi Theatre after gaining too much weight. When not gracing the society pages or the Kremlin’s banquet halls, Vdovin is leading a multimillion-dollar venture to draw in foreign investment and spread the wealth beyond Moscow and St Petersburg. From the troubled Caucasus republics on Russia’s southern border to the inhospitable climes of the Far East, Nadi aims to provide the link between regional governments and interested investors to ease entry into Russia’s messy business environment. “We understand that, in spite of significant changes in the Russian economy, the development of business in Russia is often hampered by various issues – lack of financial transparency and accurate information, as well as the poor quality of local managers,” Vdovin says. While Russia has left the chaotic 1990s far behind, doing business is an exercise in jumping hurdles. Transparency International recently ranked the country 143rd out of 179 countries on its corruption perception ranking. Yet Vdovin remains optimistic. “Recent reforms have created favourable conditions for business development and attracting investment into the Russian economy,” he says. Indeed, Russia drew in double the amount of foreign investment this year, taking in $45 billion against $26 billion last year. That number was already double the amount of foreign investment in 2005. The numbers are starting to spread beyond the saturated markets of Moscow and St Petersburg.

Southern regions such as Krasnodar, with their proximity to key ports and export markets, are becoming top destinations. The nearby port of Novorossisk, which handles the bulk of Russia’s shipping traffic, saw revenues soar by 76.5 per cent this year to $332 million after a heavily oversubscribed share float in London last month that raised about $1 billion. Western retail powerhouses such as Ikea and Auchan are opening shop in coming months, capitalising on a consumer boom that has begun to spread outside of Russia’s main cities. Nadi helped SABMiller and Mars to set up production centres in the southern Saratov region, and is hoping to cash in on projects aiming to boost Krasnodar’s ageing transport network.