# Round 1 – Neg v Minn CE

## 1nc

### Hagel da

#### Hagel will be confirmed now – momentum – but it is not a lock now

Paul Kane (writer for The Washington Post) January 16, 2013 “Hagel's nomination gains momentum” ProQuest

Despite all the sound and fury before and after his nomination, Chuck Hagel began his bid to lead the Pentagon as a favorite to win Senate confirmation. And he seems only to be gaining momentum.¶ For sure, the Republican former senator from Nebraska made his share of enemies during his two terms in the Senate, which now must consider his nomination as defense secretary, but he began with two key advantages.¶ One is traditional senatorial courtesy, which has almost always meant a relatively smooth confirmation process for any current or former senator chosen for a Cabinet or ambassadorial post.¶ More important, almost every failed nomination of the past three decades has stemmed from key defections within the president's own party, and so far Hagel's opposition has come almost entirely from fellow Republicans.¶ The prospect of significant Democratic defections grew more unlikely Tuesday when a pair of influential Senate Democrats who had been cagey about their support for Hagel came out in support of his confirmation. Many of Hagel's critics accused him of being hostile to Israel's interests. But on Tuesday, Sens. Charles E. Schumer (N.Y.) and Barbara Boxer (Calif.), two of the most influential Jewish Democrats, issued lengthy testimonials to Hagel's credentials to lead the Pentagon and accepted his assurances that he would support the Obama administration's policy of vigorously opposing Iran's bid to obtain nuclear weapons.¶ "Senator Hagel could not have been more forthcoming and sincere," Schumer said Tuesday in a 676-word statement that covered every possible controversy of Hagel's nomination. "Based on several key assurances provided by Senator Hagel, I am currently prepared to vote for his confirmation. I encourage my Senate colleagues who have shared my previous concerns to also support him."¶ "I needed comprehensive answers," Boxer told reporters Tuesday in a conference call, explaining that she demanded that Hagel follow up their phone discussion with a letter documenting his answers on Israel and Iran as well as issues related to gay rights and female soldiers' access to reproductive services.¶ Hagel's confirmation is still not a certainty. He has only just begun the traditional process of making the rounds for face-to-face meetings with key senators, and on Tuesday the top Republican on the Armed Services Committee announced his opposition.¶ "Unfortunately, as I told him during our meeting [Tuesday], we are simply too philosophically opposed on the issues for me to support his nomination," said Sen. James M. Inhofe (Okla.). Inhofe said he was concerned about looming Pentagon spending cuts: "Senator Hagel's comments have not demonstrated that same level of concern about the pending defense cuts."¶ The committee has yet to schedule a confirmation hearing, which is certain to be a lengthy session that could resemble the combative queries that former senator John D. Ashcroft (R-Mo.) faced in January 2001 after he was nominated as attorney general.¶ Ashcroft's confirmation hearings, fueled by questions about racial sensitivity, lasted three days, unusually long for a former senator.¶ In the modern era of televised hearings, just two former senators have failed to win confirmation after being nominated. John G. Tower, a Texas Republican, lost his bid to become defense secretary in 1989 over accusations of improper drunken behavior, receiving just 47 votes. In 2009, Thomas A. Daschle, the former Democratic majority leader from South Dakota, withdrew his nomination to be secretary of health and human services after it was revealed that he had failed to pay more than $100,000 in taxes on limousine service provided to him as a member of an investment firm.¶ As of now, Hagel's opponents have not leveled any accusations of questionable ethical behavior and instead have focused on his past statements and votes about Middle East policy. Conservative activists rejected his statements to Schumer and Boxer as just a "confirmation conversion," and senior Republicans promised tough questioning.

#### Plan destroys political capital

Hobson 4/18 Margaret is a writer for E&E Publishing. “OFFSHORE DRILLING: Obama's development plans gain little political traction in years since Gulf spill,” 2012, http://www.eenews.net/public/energywire/2012/04/18/1

President Obama is embracing the offshore oil and gas development policies he proposed in early 2010 but were sidelined in the shadow of the Deepwater Horizon oil spill.¶ Two years after the BP PLC oil rig exploded, killing 11 people and causing the worst oil spill in U.S. history, Obama's "all of the above" energy policy includes offshore drilling provisions that are nearly identical to his aggressive March 2010 drilling plan.¶ Since the moratorium on offshore oil drilling ended in late 2010, the administration expanded oil and gas development in the western and central Gulf of Mexico and announced plans for lease sales in the eastern Gulf. The White House appears poised to allow Royal Dutch Shell PLC to begin exploring for oil this summer in Alaska's Beaufort and Chukchi seas and to open oil industry access to the Cook Inlet, south of Anchorage. The administration is also paving the way for oil and gas seismic studies along the mid- and south Atlantic coasts, the first such survey in 30 years.¶ While opening more offshore lands to oil and gas development, the Obama administration has also taken steps to make offshore oil drilling safer, according to a report card issued yesterday by Oil Spill Commission Action, an oversight panel formed by seven members of President Obama's oil spill commission.¶ That report criticized Congress for failing to adopt new oil spill safety laws but praised the Interior Department and industry for making progress in improving offshore oil development safety, environmental protection and oil spill preparation.¶ An environmental group was less complimentary. A report yesterday by Oceana charged that the measures adopted by government and industry are "woefully inadequate."¶ As the 2012 presidential campaign heats up and gasoline prices remain stuck near $4 per gallon, Obama's offshore oil development policies aren't winning him any political capital. The environmental community hates the drilling proposals. The Republicans and oil industry officials complain that the White House hasn't gone far enough. And independent voters are confused by the president's rhetoric.

#### PC key to nomination

Michael Falcone (writer for ABC News) January 7, 2013 “Cabinet Shakeup: No Such Thing As A ‘Slam Dunk’ (The Note)” http://abcnews.go.com/blogs/politics/2013/01/cabinet-shakeup-no-such-thing-as-a-slam-dunk-the-note/

But as ABC Chief White House Correspondent Jon Karl notes today, the confirmation of Hagel, a former Republican senator, “will be no slam dunk”: “Senate Democrats tell me there is no guarantee Hagel will win confirmation and that, as of right now, there are enough Democratic Senators with serious concerns about Hagel to put him below 50 votes. The bottom line: He may ultimately win confirmation, but not before a bloody fight in the Senate. On the plus side, Hagel is a decorated Vietnam veteran and a former Republican Senator who’s views on military issues closely match the president’s views. But he has already come under withering criticism from across the political spectrum. Among other things, he has come under fire for controversial comments on Israel (in 2008, he referred to Israel’s US supporters as ‘the Jewish lobby’), his opposition to some sanctions against Iran, and his suggestion, also in 2008, that the U.S. should negotiate with Hamas.” Time Magazine’s Mark Halperin had a similar prediction: “If Hagel has a good confirmation sherpa and performs well in his courtesy calls and at his hearings, he will likely be confirmed. But/and at a pretty high cost. Expect a LOT of people to want to testify against him. And don’t rule out a filibuster of this nomination, which would, obviously, change the math.” http://ti.me/VvwfU0 More on the rough road ahead for Hagel from ABC’s Martha Raddatz on”Good Morning America” today. WATCH: http://abcn.ws/VNTZBZ NOTED! ABC’s RICK KLEIN: It’s getting crowded in here. One consequence of the un-grand bargain is that Washington will be fighting fiscal battles again early this year — then likely later, too. The result is not just a feeling of déjà vu but of suffocation. Republicans and any coalition that wants to slow President Obama’s agenda — on immigration, gun control, energy policy, what have you — has the perfect way to do so now, perhaps indefinitely. “None of these issues, I think, will have the kind of priority that spending and debt are going to have over the next two or three months,” Senate Minority Leader Mitch McConnell said on ABC’s “This Week” yesterday. ABC’s AMY WALTER: For all the hand wringing about upcoming fights between the White House and Congress over Chuck Hagel, the debt ceiling and the sequester, a reminder that the two branches were designed to challenge each other. To be sure, this is a frustrating process— and one that has resulted in less than ideal outcomes. Voters say they like the idea of divided government, but they don’t like the reality of it. “THIS WEEK” REWIND: MCCONNELL: THE TAX ISSUE IS FINISHED. As President Obama and Republicans slowly approach the next round of deficit-reduction talks, Senate Minority Leader Mitch McConnell drew a line in the sand, in his interview with ABC’s George Stephanopoulos: no more tax increases. McConnell: “The tax issue is finished, over, completed. That’s behind us. Now the question is, what are we going to do about the biggest problem confronting our country and our future? And that’s our spending addiction. It’s time to confront it. The president surely knows that. I mean, he has mentioned it both publicly and privately. The time to confront it is now.” http://abcn.ws/Xbz4uz HEITKAMP: GUNG-CONTROL PROPOSALS ‘WAY IN EXTREME.’ After The Washington Post reported that Vice President Biden’s working group will press a broad gun-control agenday, newly elected Democratic Sen. Heidi Heitkamp, N.D., told ABC’s George Stephanopoulos those proposals would go to far. Heitkamp: “Let’s start addressing the problem. And to me, one of the issues that I think comes — screams out of this is the issue of mental health and the care for the mentally ill in our country, especially the dangerously mentally ill. And so we need to have a broad discussion before we start talking about gun control. … I think you need to put everything on the table, but what I hear from the administration — and if the Washington Post is to be believed — that’s way — way in extreme of what I think is necessary or even should be talked about. And it’s not going to pass.” GRETA VAN SUSTEREN GOES ON THE RECORD (WITH ABC NEWS): Fox News’ Greta Van Susteren has interviewed some of the biggest names in U.S. politics on her show, “On The Record,” but you’ll never guess who her dream guest dream political guest is. Van Susteren, who appeared on the “This Week” roundtable Sunday, answered viewer questions from Facebook and Twitter for an “All Politics is Social” web exclusive hosted by ABC’s Kaye Foley. About that dream guest, here’s her answer: “Bo, the first dog. I love animals. I’d love to be on Animal Planet. On Animal Planet you aren’t dealing with death and destruction and people fighting with each other all the time. To the extent that Bo is a part of politics, I’d love to interview Bo. Plus, I love the fact that he looks like he’s wearing white knee socks. Bo is my favorite.” WATCH the full interview: http://abcn.ws/13bVdfF THE BUZZ: with ABC’s Chris Good (@c\_good) SCOTUS RETURNS: GAY MARRIAGE, AFFIRMATIVE ACTION, VOTING RIGHTS. The Supreme Court returns to the bench today, and ABC’s Ariane de Vogue reports: The justices will hear two potentially blockbuster cases in March concerning gay marriage. One of the cases–Hollingsworth v. Perry–addresses whether there is a fundamental right to same-sex marriage. The other–Windsor v. United States–deals with the federal law that defines marriage as between a man and a woman. In both cases, the court will hear arguments on potential procedural obstacles that could stop it from getting to the core constitutional questions. The court will also hear a case challenging a key provision of the Voting Rights Act. Section 5 of the law says that certain states with a history of voter discrimination must clear any changes to their election laws with federal officials in Washington. Lawyers for Shelby County, Ala., are challenging the constitutionality of Section 5. The case, called Shelby County v. Holder, will be argued Feb. 27. The day before, the court will hear arguments in Maryland v. King, a case about whether Maryland officials can collect DNA from someone who has been arrested but not convicted of a crime. http://abcn.ws/WD3Fir SANDY AND THE CLIFF: WILL PAUL RYAN’S VOTES HAUNT HIM IN 2016? Paul Ryan voted in favor of the “fiscal cliff” tax deal but against a Hurricane Sandy relief bill that would add $9.7 billion in debt. ABC’s Shushannah Walshe reports on the potential implications for 2016: The two votes four years from now may mean nothing or could haunt Ryan if he decides to run for president in 2016, depending on who is battling for the nomination. The fiscal cliff vote could become an issue, particularly if his opponent is Florida Sen. Marco Rubio who could highlight the fact that Ryan voted for the measure while Rubio voted against it. The Sandy vote could also be resurrected if his rival is New Jersey Gov. Chris Christie who blasted members of his own party this week when Boehner decided not to vote on a $60 billion Sandy relief package after assuring lawmakers from the affected he states he would. … Will Ryan be more vocal on the looming battle to raise the debt ceiling? It will be one to watch. http://abcn.ws/Sb0YZE OBAMA’S VACATION BY THE NUMBERS. With President Obama returning from a nine-day vacation in Hawaii with family and friends, ABC’s Mary Bruce reports: Obama played FIVE rounds of golf with SEVEN different partners, spending roughly THIRTY hours on TWO different courses on Oahu. The president made FIVE early morning trips to the gym at the nearby Marine Base at Kaneohe Bay. … The Obamas ventured out for dinner with friends FOUR times, leaving their Kailua vacation home for gourmet Japanese meals at Nobu and Morimoto … The president interrupted his vacation for SIX days to negotiate the “fiscal cliff” in Washington. All told, he will have spent roughly FORTY hours on Air Force One flying between D.C. and Hawaii. http://abcn.ws/WA0xUx PELOSI: MORE TAXES IN NEXT CLIFF DEAL. The fiscal cliff isn’t quite over, and House Speaker Nancy Pelosi says tax revenues must be on the table as President Obama and congressional Republicans negotiate over how to avert budget sequestration. The Hill’s Mike Lillis reports: “‘In this legislation we had $620 billion, very significant … changing the high-end tax rate to 39.6 percent. But that is not enough on the revenue side,’ Pelosi told CBS’s Bob Schieffer in an interview taped Friday. Without offering many specifics, the California Democrat said she wants to scour the tax code for unnecessary loopholes and ‘unfair’ benefits that help those–either companies or individuals–who don’t need it.” http://bit.ly/WnUi5y CHUCK HAGEL: LET THE SNIPING BEGIN. Rumblings on Capitol Hill, already, are not good. Politico’s Scott Wong and Manu Raju report: “Sen. Lindsey Graham (R-S.C.), an Air Force reservist who serves on the Armed Services Committee that will consider the nod, said Hagel would hold the ‘most antagonistic’ views toward Israel of any defense secretary in U.S. history. … ‘It is a strange signal for the White House to send that they are willing to fight for Hagel but not Rice,’ one Senate Democratic aide said Sunday. ‘Democrats are not currently unified behind Hagel, and it will take some real work by the administration to get them there, if it’s even possible.’ ‘I can’t imagine why [Obama] would choose to burn his political capital on this nomination. For what? There is no constituency for Chuck Hagel,’ one senior GOP aide said. ‘Obama will expend every ounce of political capital he has to get him across the finish line. Dems will hate this.” <http://politi.co/VFMgc7>

#### Hagel is key to a soft landing on a laundry list of critical military transitions that are key to prevent global conflict

Jessie Daniels (Truman National Security Project Fellow, worked in the US Senate) January 7, 2013 “Chuck Hagel Nomination: A Look At the Security Threats He Will Face” http://www.policymic.com/articles/21946/chuck-hagel-would-be-a-defense-secretary-for-the-21st-century

As President Obama heads into his second term, and a new cabinet comes into shape, attention now focuses on the leading choice for Secretary of Defense: Chuck Hagel. As the Chairman of the Atlantic Council, and former Nebraska GOP Senator, Hagel certainly has the policy chops and political bona fides to take over the reins from the current Secretary Leon Panetta. The next secretary of defense will immediately be faced with managing American commitments and new priorities. The Pentagon will continue its rebalance — or "pivot" — toward the Asia-Pacific, where the U.S. has already been bolstering its presence in the region. At the same time, the next secretary of defense will preside over a transition in Afghanistan that insiders say appears harder than anticipated — both politically and operationally. Then there's the Middle East at large, which presents a separate set of challenges: Egypt's rocky political transitions, an intransigent Iran, and escalating violence in Syria. Key in managing the U.S. role in each and all of these situations is recognizing the limits of American power and influence. Fortunately, Hagel gets how complex the picture is, and would be committed to ensuring that the U.S. military does not become overextended yet again. America's commitments will also be shaped by Pentagon budget reforms. The Defense Department is scheduled to trim $487 billion in spending over the next decade. If the sequester cuts eventually do go into effect — the fiscal cliff deal only delayed them by two months — the Pentagon will face an additional $500 billion in cuts. If confirmed as the next secretary of defense, Hagel would already come into the position with the mindset that the Defense budget is "bloated." Moreover, his political experience on Capitol Hill would prove useful in guiding the department through reforms that, though necessary, are likely to be highly politicized and contentious. Aside from these near-term challenges, the next secretary of defense will also need to prepare for 21st century threats. Tomorrow's threats could just as easily come from non-state actors or take place in cyberspace. Issues once unconnected to national security — such as the environment — now play critical roles for America's military, as resource insecurity (like water or energy) can escalate the risk of conflict. During his time in the Senate and now at the Atlantic Council, Hagel has been a strategic thinker who understands the interconnectedness of an array of threats. He has demonstrated the ability to understand the terrain of these new battlefields, and would be well-prepared shape the military as it prepares for this new security environment. Considering the overall breadth and depth of his experience, Chuck Hagel would bring many relevant strengths to the table — which is all the more important, since the next Pentagon chief will find a full plate of challenges upon arrival.

### courts

#### The United States Supreme Court should rule restrictions on the production of crude oil on federal lands unconstitutional.

#### Courts can invalidate restrictions on oil

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

THE COURTS

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

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

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

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

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

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

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

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

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

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

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

Enforcement of the statute followed without congressional action. n44

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

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

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

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

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

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

### neolib

#### Financialization of energy production is a neoliberal tool to subvert communal agency—fuels inequality and unsustainable practices

**Hildyard et al 2012** – \*founder and Director of The Corner House, a U.K. research and advocacy group focusing on human rights, the environment, and development, co-editor of The Ecologist, \*\*co-founder of the Durban Group for Climate Justice (February, Nicholas Hildyard, Larry Lohmann and Sarah Sexton, The Corner House, “Energy Security For What? For Whom?”, http://www.thecornerhouse.org.uk/sites/thecornerhouse.org.uk/files/Energy%20Security%20For%20Whom%20For%20What.pdf, WEA)

The neoliberal market-driven approach to energy policy in Europe and¶ North America that is actively promoted throughout the world by the¶ International Monetary Fund and the World Bank and through bilateral¶ investment treaties and the Energy Charter Treaty is barely 30 years¶ old. Prior to the 1980s, energy – oil, gas, coal and electricity – was¶ largely provided either by state monopolies at prices determined by the¶ state with investment centrally planned by government bureaucracies,¶ or by private monopolies subject to government oversight and regulation to protect users from excessive charges. Markets, in which for-profit companies competed with each to generate, distribute and supply¶ “energy”, were considered “hopelessly inadequate in providing appropriate energy supplies,”¶ 3¶ considered to be “the lifeblood of the world¶ economy.”4¶ “Moving to the market,” however, was proposed as a way of ensuring¶ investment in energy infrastructure – power plants, transmission systems and storage capacity – that would not only guarantee supplies to¶ consumers at cheaper prices but would also direct investment to the¶ most cost-effective means of reducing carbon emissions.¶ 5¶ But markets have singularly failed to deliver on these promises. Directly opposed to forms of social and economic organisation that seek¶ to guarantee the shared right of all to survival, market-based energy¶ policies have led to the exclusion of those who cannot afford to pay for¶ the energy they require to meet their basic needs. The **financialisation**¶ **of “energy**”– where the production and distribution of oil, gas and electricity is mediated and shaped not just by markets in general but by¶ financial markets in particular,¶ 6¶ and where capital is accumulated primarily through financial speculation rather than production – is also¶ **jeopardising investment in the infrastructure that might enable a just**¶ **transition** to a sustainable and equitable climatic future. Investment is¶ diverted into trading on money or the products of money, often creating¶ energy shortages in the process through the speculative “gaming” of¶ energy markets. Just as energy is now “saturated with the language of¶ security”,¶ 7¶ so, too, it is “infused by the logic of finance”,¶ 8¶ even though¶ financialisation is conspicuously absent from energy security narratives.¶ Market-led policies **marginalise the role of communities** and ordinary¶ people in decision-making: instead “choices” about future energy technologies and use are left to those who have economic and political¶ power within the range of markets that affect energy. The input of¶ consumers is reduced to the (limited) decisions they can make within¶ energy retail markets based on price signals alone: the cost of electricity or gas. Debates over **how society might be differently organised** to¶ generate and use (less) “energy” in different ways are entirely sidelined,¶ except where they might provide opportunities to make money.¶ Meanwhile, efforts to address climate change through carbon trading¶ and other market mechanisms are fatally delaying the action that is¶ necessary to prevent runaway global climatic instability, whilst at the¶ same time creating new sources of conflict and insecurity.

#### The impact is extinction—focus on production and technology in the neoliberal frame generates crises and precludes other orientations

**Holleman 2012** – assistant professor of sociology at Amherst, PhD in sociology from the University of Oregon (June, Hannah, sociology dissertation, University of Oregon, “Energy justice and foundations for a sustainable sociology of energy”, https://scholarsbank.uoregon.edu/xmlui/bitstream/handle/1794/12419/Holleman\_oregon\_0171A\_10410.pdf?sequence=1, WEA)

As Marilyn Waring noted twenty years ago, under this system, when there is an ¶ environmental catastrophe, like the Exxon Valdez oil spill in Alaska, or the current BP oil ¶ spill in the Gulf, companies make an enormous profit cleaning up, or at least professing ¶ to do so. GDP goes up. If someone is sick, if they die a long, drawn-out death from ¶ cancer, there is profit to be made. There is no money to be made in human and ecological ¶ health and well-being. If communities grow their own food, the global food market ¶ significantly decreases; if people walk rather than drive, the oil and car companies don’t ¶ make money. If education is free, who benefits? Maybe most people, and the society at ¶ large, maybe even the environment, but not necessarily the shareholders. Therefore, it is ¶ much more economically efficient to let the market shape education. Today students take ¶ out larger and larger loans to buy more expensive books, to get less education engendered ¶ by fewer teachers. This is capitalist efficiency. The surplus is efficiently transferred from ¶ one segment of the population to another, those at the top. The same goes for letting the ¶ market shape energy policy. Those arguing today for market intervention in the climate ¶ crisis often fail to mention that it is absolutely already the market shaping energy policy. ¶ This is precisely the problem. It is very efficient for the market to extract oil at bargain ¶ prices from countries without militaries to stop them. It is very efficient, in terms of ¶ profit, to have the most vulnerable in society pay the costs of energy production, and to ¶ keep polluting, all the while terrifying people that new energy developments might be ¶ their only chance of economic survival. Nevermind where the real money goes and what ¶ happens with the boom goes bust.

The current version of capitalist ideology, which absorbs energy scholars (and ¶ even environmental socialists) often unwittingly, was consciously shaped to co-opt the ¶ language of social movements seeking freedom from the yolk of capitalism and ¶ imperialism. It is no surprise that the market would co-opt green rhetoric today. ¶ Economists having the greatest ideological influence on political debates and social ¶ science today, the architects of neoliberal ideology, have sought to re-write the history of ¶ capitalist development as “the constitution of liberty,” and the basis of free society ¶ (Hayek 1960; Friedman 1962; Van Horn, Mirowski, and Stapleford, eds. 2011). There ¶ can be no acknowledgement of slavery, racism, sexism, or ecological destruction among ¶ other issues, because all of these undermine the basic thesis neoliberal writers actively ¶ promote as political ideology. To make their argument, these writers must present ¶ capitalism as raising all boats, color-blind, gender-neutral, and free of class coercion, the ¶ globalization of which results in a “flat,” happy world, even if it is hot (Friedman 2005, ¶ 2008). Unfortunately, these ideas dominate the political sphere, and contemporary ¶ notions of organizational, community, and national development. In academia, many ¶ “theorists celebrate the alleged leveling of social differences owing to globalization”¶ (Pellow 2007, 41). The blinders imposed by this view continue to infect energy studies¶ despite the work of critical energy scholars.

Spreading capitalism thus becomes the solution for poverty associated with ¶ inequalities caused by oppression based on race, class, gender, and position in the world ¶ system, as well as the solution to environmental and energy crises. This is the basic ¶ modernization thesis. The Ecological Modernization Reader (Mol, Sonnenfeld, and ¶ Spaargaren 2009) presents these systematized views regarding the environmental crisis, ¶ which are increasingly influential in environmental sociology. York and Rosa (2003) and ¶ Foster (2012) have pointed out the empirical, theoretical, and philosophical roots of, and ¶ problems associated with this perspective as a basis for understanding ecological and ¶ social crises and solutions. But, we can expect this view to persist as long as social ¶ relations remain intact because the logic of modernization is seductive precisely because ¶ it is the logic of capitalism (Foster 1999b, 2002, 2009, 2012). The processes of ¶ capitalism, including its ideological developments, are the “background conditions” in ¶ which those integrated into the market economy live, as fish swim in water, they are the ¶ “social gravity” we might naturally feel is right, but don’t necessarily see, as much a part ¶ of our lives as the air we breathe (York and Clark 2006).

In contrast to the modernization thesis, environmental justice scholars, among ¶ other critical theorists and activists have sought to expose the mythological basis of ¶ neoliberalism and transcend the system. The work of environmental justice scholars, ¶ feminist ecologists, and ecological rift theorists, marshaling the empirical evidence, ¶ represent powerful critiques of the modernization thesis. Taken together with the insights ¶ in existing critical work on energy, they provide an alternative approach to energy that¶ belies the notion that “there is no alternative.” They share a common commitment, as ¶ social scientists and activists, to reality. Part of this reality is that “actual class and racial ¶ inequalities around the global and between North and South have only worsened in the ¶ past half-century—the same period during which the late modern state of capitalism took ¶ hold” (Pellow 2007, 41). Despite views that we live in a post-racial society, (or one ¶ where “men are finished and women are taking over” [Sohn 2011]), in fact economic ¶ globalization has “seriously undermined the gains of the civil rights and labor movement ¶ and the general antiracist struggle in the United States and undercut the global benefits of ¶ the anticolonial struggles occurring throughout the global South” (Pellow 2007, 43). ¶ Moreover, economic globalization and the intensified spread of ecological destruction ¶ “are intimately linked because the TNCs [transnational corporations] themselves were¶ the ones creating and pushing both globalization and toxins on the world markets, ¶ facilitating greater control over nations, communities, human bodies, and the natural ¶ world itself”(43).

Today, neoliberal mythology has severely hindered the development of a wider ¶ environmental justice consciousness in the broader public, and amongst activists and ¶ academics. In energy studies this view is especially pronounced in the focus on ¶ technology, carbon markets, voluntary certification schemes, and alternative energies that ¶ basically allow business to continue as usual (Foster 2002, 9-25; Rogers 2010; Holleman ¶ 2012). The critical literature emerging from what I call an energy justice perspective in ¶ ecological rift theory, systems ecology, feminist and critical human ecology, and ¶ environmental justice scholarship has drawn out the social and ecological crises of the ¶ current energy regime. This is in contrast to too many well-intentioned scholars and ¶ activists who buy into the main tenets of the modernization thesis, and thus are reluctant ¶ to break with capitalism as a system, or worse, they promote it, ignoring or ignorant of ¶ the enormous costs. This has led to the view that our task as environmentalists is getting ¶ economics to “internalize the externalities,” to bring under the pricing system the work of ¶ natural systems and human services (labor). For energy this means carbon markets and ¶ trade in other forms of pollution and raising energy prices. While it is clear that as long as ¶ we have this system, goals should include wealth redistribution and businesses ¶ shouldering the costs of their polluting practices, long-term, internalizing more of the ¶ world in the market system is a total death strategy. The logic of the market is clear. An ¶ energy justice movement, with the intention of healing the ecological rift and ¶ transcending social injustice, on the other hand has as its base the goal of “externalizing ¶ the internalities.” This is an ecological and social imperative.

Understanding the nature of the current system, Daniel Yergin’s worse-than-nothing approach to energy is the logical response of capital. Carbon markets and the ¶ new biotech boom also make sense. If the point is accumulation, sources of profit must ¶ be found at every turn and crises represent especially ripe opportunities (Klein 2007). The ¶ problem today is not capitalism’s lack of response to the climate crisis, capital was never ¶ developed as a system geared toward ecological reproduction or meeting human needs. It ¶ is a system geared toward profit at all cost and can have no rational response. The ¶ problem is that capitalism organizes so many of our productive activities in the first ¶ place. The sooner this is recognized, the sooner we can start thinking of real alternatives, ¶ and understand ourselves as subjects, not merely objects of the system, as protagonists of ¶ our own future. We can move beyond playing the passive consumers of the next product¶ capitalism has on offer, green or otherwise, packaged as a solution to energy crises. ¶ Examples like the carbon market schemes, or Daniel Yergin’s view of what constitutes ¶ energy revolution, make clear “that there’s no way we can just subcontract our ¶ environmental conscience to the new breed of green marketers” (McKibben 2010).

Energy and social inequality, the challenges of our generation

The social and ecological costs of our energy regime today are clear, though the ¶ ways these are both the result of and exacerbate social inequality and oppression are often ¶ misunderstood or ignored. While the future is unwritten, projections, if business ¶ continues as usual, indicate environmental and social catastrophe with much of the ¶ damage irreversible. Without significant social change, we should prepare for, among ¶ other depredations, increased warfare to secure energy resources to meet increased ¶ demand. The most recent British Ministry of Defence Strategic Trends report suggests ¶ that nations will increasingly use energy security “to challenge conventional ¶ interpretations on the legality of the use of force” (108). Environmentally and socially ¶ destructive energy sectors are projected to grow the next thirty years, such as nuclear ¶ energy and biofuel, while expected fossil fuel demand also goes only one way, up: ¶ Global Energy use has approximately doubled over the last ¶ 30 years and, by 2040, demand is likely to grow by more ¶ than half again. Despite concerns over climate change, ¶ demand is likely to remain positively correlated to ¶ economic growth with fossil fuels, meeting more than 80% ¶ of this increase. Urban areas will be responsible for over ¶ 75% of total demand. (Strategic Trends, 106) ¶ Even a U.S. government official has recognized publicly that “our patterns of energy use ¶ create geopolitical instability. The ways we use energy are disrupting the climate system ¶ and threaten terrifying disruptions in decades to come” (Sandalow 2009).

These realities only partially illustrate energy’s extensive contribution to what K. ¶ William Kapp (1950) referred to as capitalism’s systemic “unpaid costs.” As Anderson ¶ (1976) put it: “the growth society operates as if it had tunnel vision and nearsightedness; ¶ the accumulation of capital is pursued without regard for the side-effects or for longrange consequences, leaving to nature and the larger community these uncalculated ¶ costs” (140). Prefiguring contemporary discussions and movement framing, Anderson ¶ referred to these accumulated unpaid costs, or externalities as “the ecological debt,” the ¶ result of the exploitation of both nature and humans for the sake of economic growth at ¶ all costs (142-43), undermining the natural and social conditions of production.

As indicated previously, with energy demand expected only to increase as the ¶ economy expands, the “unpaid costs” associated with its extraction and use will continue ¶ to accumulate, but on a scale heretofore unseen. The science is clear that if we do not ¶ severely curtail energy use, we will cross critical thresholds in the biosphere’s ability to ¶ recycle waste and regulate the earth’s temperature. The consequences of crossing such ¶ planetary boundaries will be irreversible (Hansen 2009; Solomon, et al. 2009; Cullen ¶ 2010; Foster 2011).

This is a new juncture in humanity’s relation to the rest of nature. However, the ¶ costs of climate change, among other environmental crises generated by energy ¶ production and use, which is driven largely by economic growth, already are visited upon ¶ communities and other social groups in a dramatically unequal way––this we may ¶ understand as a defining feature of energy injustice. This social inequality, indeed, is a ¶ necessary feature of capitalism, making human exploitation and the assault on the ¶ environment possible, and energy injustice inevitable in the current system:

“Environmental deterioration will continue so long as there is a class system, since the ¶ profits of environmental neglect accrue primarily to one class whereas the costs are borne ¶ primarily by another” (Anderson 1976, 139). Scholars studying the ecological and social ¶ rift of capitalism, including those working on environmental racism and feminist ecology, ¶ have expanded the understanding of how these processes are gendered and racialized. ¶ Work on unequal ecological exchange amply has demonstrated that inequality between ¶ nations and regions also increases the burdens of environmental injustice. Studies from ¶ all of these perspectives have drawn out inequalities embedded in our current patterns of ¶ energy decision-making, extraction, use, and waste disposal, documenting energy ¶ injustice through various theoretical lenses.

#### Vote neg to eschew neoliberal frameworks—they’re unsustainable and insulate decisionmaking from deliberation and alternative assumptions needed to solve

**Adaman and Madra** **2012** – \*economic professor at Bogazici University in Istanbul, \*\*PhD from UMass-Amherst, economics professor (Fikret and Yahya, Bogazici University, “Understanding Neoliberalism as Economization: The Case of the Ecology”, http://www.econ.boun.edu.tr/content/wp/EC2012\_04.pdf, WEA)

The reduction of ecological valuation through a market mechanism (or various techniques) to a ¶ mere aggregation of individual subjective valuations—which is the main premise of neoliberal ¶ ideology—may be inappropriate for complex and uncertain phenomena ridden with ¶ incommensurabilities and inter- and intra-generational distributional conflicts, such as global ¶ warming, where individual valuations will have clear implications for all living beings. Indeed, ¶ in making decisions with substantial consequences pertaining to our current life as well as our ¶ future (such as the overall growth rate, distributional trajectories, technological path, ¶ consumption habits, risk attitude [say, vis-à-vis nuclear energy]), the market response or the ¶ aggregation of individuals’ valuation through a set of available techniques (e.g., the contingent ¶ valuation) may substantially differ from what could be derived through collective deliberation ¶ and negotiation of various stakeholders including the scientific community (see, e.g., ¶ Özkaynak, Adaman and Devine, 2012). This criticism applies not only to neoliberal positions ¶ that favor the current unequal distribution of power but also to the Post-Walrasian one which ¶ although concerned with distributional issues keeps relying on individualist ontologies of ¶ calculative and calculable agency. Indeed, there is a growing theoretical and applied literature ¶ arguing that in incommensurable cases, where all relevant aspects cannot be captured in a single ¶ dimension (such as those derived from monetary cost-benefit analyses), a multi-criteria ¶ methodology would seem better placed, as it will be possible to involve not only economic but ¶ also political, moral, scientific and cultural inputs from a variety of stakeholders (see, e.g., ¶ Martinez-Alier, Munda and O’Neil, 1999; Munda, 2008). The key promise of the multicriteria decision-making tool and other similar participatory and deliberatory dispositifs is that ¶ rather than finding a “solution” to a conflictual decision, they shed light on the multifaceted¶ dimensions of the problem at hand and thus facilitate the consensus-building process from ¶ below (see, e.g., Adaman, 2012). In this regard, they constitute a formidable path to be ¶ explored as an alternative to the surreptitiously normative neoliberal governmental dispositifs, ¶ designed by experts from above, under the assumption that all actors are calculative and ¶ calculable.

The current indiscriminate application of neoliberal policies over the entire scope of the social ¶ field has brought about such political, economic, cultural and ecological devastation that any ¶ type of reform suggestion along the line to halt this process is met with much welcoming by ¶ many of us—even if some of them are still acting as if economic incentives are the only viable ¶ policy tool in town. Consider the case of carbon markets, for example, where the cap is ¶ decided either through a scientific body or through aggregating individuals’ preferences. The ¶ fact of the matter is that, far from addressing the inefficiencies that emanate from opportunistic ¶ and manipulative activities, these mechanisms are vulnerable precisely because they end up¶ soliciting manipulative, predatory, and rent-seeking behavior (because they are designed to ¶ function under such behavioral assumptions in the first place). In other words, these solutions ¶ subject a commons such as global climate into the economic logic of markets and ¶ “performatively” turn it into an object of strategic-calculative logic (MacKenzie, Muniesa and ¶ Siu, 2007; Çalışkan and Callon, 2009; MacKenzie, 2009; Çalışkan and Callon, 2010; see also ¶ Spash, 2011). Consider, furthermore, the case of price-per-bag policies. Laboratory ¶ experiments and anthropological evidence both suggest that charging a price for some activity ¶ that should in fact be treated as a duty or a commitment may well create perverse results (see, ¶ e.g., Campbell, 1998; Bowles and Hwang, 2008). Monetizing the pollution-generating activity ¶ instead of limiting the use of plastic bags (along with an awareness program) may well result in ¶ an increase of the unwanted activity. Similarly, while nationalization is the trend in areas of ¶ natural resource extraction and energy production, many continue to argue for privatization ¶ and private-public partnerships instead. Nevertheless, the problem with the private versus ¶ public dichotomy, given our reading of the contemporary state as an agent of economization, is ¶ precisely that both forms, to the extent that they are informed by the different variants of ¶ neoliberal reason, serve to isolate these critical areas from the deliberations and political ¶ demands of various stakeholders and the general public, limiting the only channels for ¶ communication available to them to the price (or price-like) mechanisms. However, perhaps ¶ most importantly, neither can be immune towards all sorts of rent-seeking activities that occur ¶ behind the close doors of the technocracy that operates in the area where state shades into ¶ market in the various forms of dispositifs.

Needless to say, economic activities that generate pollution and consume energy are not recent ¶ phenomena that are exclusive to what is now increasingly being called the neoliberal era. If ¶ anything, postwar Keynesian developmentalism was possible precisely because of the ¶ availability of cheap oil, and is responsible for an enormous amount of environmental pollution ¶ and ecological degradation (Mitchell, 2011). In this sense, it would be wrong to present ¶ neoliberal as being the only responsible mode of governmentality for the dual crises of climate ¶ change and natural resource depletion. Yet, this does not change the fact that the neoliberal ¶ reason (in its free-market and mechanism-design variations) is pushing its agenda in an era ¶ where both of these crises are reaching catastrophic levels, and it is highly questionable whether ¶ neoliberal methods of handling the environmental pollution and the extraction crisis will be¶ capable of addressing long-term concerns.

### Oil da

#### High prices are key to global petrostate stability – lower than 100/barrel oil would collapse exporter economies

Matthew Hulbert 7-9-2012; specialises in energy security and political risk and is a regular contributor to European Energy Review “The political perils of low oil prices” <http://www.europeanenergyreview.eu/site/pagina.php?id=3796>

The starting point: pricing peril

Current spot prices may be worrisome for producer states, but the real issue is how long prices will remain depressed. On the face of it, OPEC has never had it so good. Brent prices averaged historic highs of $114/b from January to June. The problem is that OPEC states have gotten used to high prices. Unless average prices continue to hold up over $100/b, financing gaps will start to show - even at benchmarks around the $80-90/b mark. That's a staggering indictment of how badly resource rich states have managed their wealth over the past few years. '$100/b' is the new '$30/b' from the early 2000s required to keep producer states in the political black. Iran, Russia and Venezuela have their budgetary books balanced at over $110/b break even points. Ecuador has its budget balanced at three figures, with Bolivia, Argentina and Mexico in similarly precarious positions. Nigeria, Angola and Algeria are no different across Africa. Caspian States are all 'out of the money' at anything less than the $100/b mark, while Libya and Iraq need all the receipts they can muster to rebuild their shattered states. But what's perhaps even worse for producer states, is the enormous uncertainty reflected on the future curve. Under a 'business as usual' scenario, this increasingly looks like a geo-economic car crash waiting to happen.

#### Kazakhstan is dependent on high oil prices – energy price decline would crush growth

BMI 7-26-2012; Business Monitor International, Robust Oil Revenues Allow For Expansionary State Budget http://store.businessmonitor.com/article/639203

BMI View: Kazakhstan's general government budgetary position will remain robust over our forecast period due in large part to the country's National Oil Fund. Relatively high oil prices over the coming years will enable the government to run a state budget deficit (consisting of the central and local governments but not including the National Oil Fund) in line with President Nursultan Nazarbayev's long-term plan to improve Kazakhstan's social welfare via higher public spending. We forecast the general government consolidated budgetary position to remain in strong surplus over our forecast period to 2021. In 2012 and 2013 the general government surplus will fall to 9.8% of GDP, down marginally from 2011 at 10.3% of GDP. The weak external environment will translate to weaker revenue growth in our view, which we forecast to come in at to 15.0% in 2012, 16.0% in 2013 from 33.1% in 2011. However, high global energy and commodity prices will preclude a more substantial slowdown in revenue growth. Kazakhstan is **highly dependent** on global commodity prices as a net hydrocarbon exporter and major exporter of grains and livestock. In spite of a weak global economic outlook, prices for commodities Kazakhstan exports remain high by historical standards due to a number of supply-side constraints, which will keep revenues to the government, in particular to the National Oil Fund (NF) well supported. [graph omitted, kd] High oil revenues will see to it that the government is able to continue running a deficit on the state budget (consisting of the central and local governments but not including the National Oil Fund) in line with President Nursultan Nazarbayev's '2010-2014 National Program of Forced Industrial and Innovative Development' to improve the social development in the country. [graph omitted, kd] We forecast the state budget deficit to widen to 2.9% of GDP in 2012 and 2.6% in 2013 from 2.1% in 2011. Public spending on education, public health and social security will continue to make up the bulk of government expenditure, totalling 50.6% of total spending in 2011, up from 49.6% in 2010 and only 27.8% in 2008. We forecast state expenditure to increase by 28.0% in 2012 and 20.0% in 2013, up from 21.7% in 2011. [graph omitted, kd] Growth in revenues to the state budget will increase by 20.0% this year and by 22.0% in 2013, down slightly from the 24.9% growth racked up in 2011. Indeed, revenue growth has held up well this year, propped up by continued growth in tax receipts. Over the period January to June according to data released by the ministry of finance, tax receipts increased by 27.0% year-on-year (y-o-y) on average, while nontax receipts have remained under pressure falling by an average 7.2% y-o-y in the same period. Risks To Outlook The key risk to our fiscal outlook for the Kazakh government remains **global oil prices**. A more precipitous fall in global energy prices would have a serious impact on the Kazakh government's ambitious modernisation and social spending plans. Indeed, strong revenues into the National Oil Fund, with assets equivalent to KZT7.7trn (USD50.6bn) at end-2011, are key to the government's ability to run an expansionary fiscal policy. A dramatic fall in these revenues would put severe strain on the government's spending plans and cause the surplus on the general government budget to fall and the deficit on the state budget to widen.

#### Weak growth and social spending decline collapses Kazakhstan and draws in Russia, China, and the US

Aleksandra Jarosiewicz, Marek Matusiak, and Krzysztof Strachota 12-27-2011; Centre for Eastern Studies, Bloody clashes in western Kazakhstan http://www.osw.waw.pl/en/publikacje/eastweek/2011-12-21/bloody-clashes-western-kazakhstan

Despite the regional nature of the disturbances, and the authorities’ current control of the situation, the recent events in the Mangystau region pose a very serious challenge for the government. The suppression of the riots by force has allowed the government to temporarily stave off the threat of an escalation of instability, but this has in no way solved the problems that lie at the root of the tension, and have in fact raised the level of public discontent. If the government limits itself to the use of force, we may expect further outbreaks of discontent. The riots have revealed the depth of the internal tensions in Kazakhstan: the social background (despite the country’s relative prosperity), but also a sense of the alienation and arrogance of the governing elites. The events in Western Kazakhstan have also struck at the unwritten social contract which is one of the pillars of the authoritarian political system, and thus indirectly at the personal authority of President Nursultan Nazarbayev. Social consent to this system has been **based on the internal stability and economic development** which he has guaranteed. In Kazakhstan there is currently no political alternative to the ruling camp, nor are there conditions to establish such a force. Tensions are inherent in the fundamental challenge facing Kazakhstan today of the succession of power; President Nursultan Nazarbayev is 71 years of age, and moves towards the emergence of a successor to him have long been playing out. The early, centrally-controlled parliamentary elections scheduled for 15 January 2012 are an indirect part of this process, but its success is by no means guaranteed. The current crisis has also increased the room for manoeuvre of those oligarchs resident abroad who have lately sharply criticised the government (especially Mukhtar Abliyazov), and weakened the position of the favourite for the succession, Timur Kulibayev. He is the President’s son-in-law, and his control extends to the key energy sector, including those companies where the strikes have taken place. This crisis has complicated the international position of Kazakhstan, which from the political and economic points of view is a key state in the region, and of fundamental importance in the regional strategic calculations of Russia (the region’s traditional great power), China (whose significance and presence in Central Asia is growing rapidly), and the USA. The succession of power **will raise the geopolitical stakes**. Kazakhstan's internal problems will be exacerbated above all by Russia, which has the strongest instruments for influencing events in this country (including close contacts with the ruling elite; its influence on the opposition abroad; and on Kazakhstan’s information space, including the pro-opposition K+ and Respublika, which are both hosted in Russia). The Russian media and internet are already using the problems in Kazakhstan to discredit their **geopolitical rivals**; they have attributed the riots to the US as an attempt to carry out a ‘Libyan scenario’ in Central Asia, and have emphasised the anti-Chinese elements of the strikes in Kazakhstan (a Chinese company is co-owner of one of the oil companies in Aktau).

#### High prices key to dollar hegemony – forces capital investment in the US

Stratfor 1-8-2008. “Annual Forecast 2008,” web.stratfor.com/images/writers/STRATFOR\_Annual\_1\_08.pdf.

Quietly developing in the background, the global economy is undergoing a no less dramatic transformation. While we expect oil prices to retreat somewhat in 2008 after years of surges, their sustained strength continues to shove a great deal of cash into the hands of the world’s oil exporters — cash that these countries cannot process internally and that therefore will either be stored in dollars or invested in the only country with deep enough capital pools to handle it: the United States. Add in the torrent of exports from the Asian states, which generates nearly identical cash-management problems, and the result is a deep dollarization of the global system **even as the U.S. dollar gives ground**. **The talk on the ﬁnancial pages will be of dollar** (implying American) **weakness, even as the currency steadily shifts from the one of ﬁrst resort to the true foundation of the entire system**.

#### Dollar hegemony is key to overall US hegemony and prevents currency status shift

Robert Looney, November 2003. Professor of National Security Affairs at the Naval Postgraduate School. “From Petrodollars to Petroeuros: Are the Dollar's Days as an International Reserve Currency Drawing to an End?” Strategic Insights, 2.11, <http://www.ccc.nps.navy.mil/si/nov03/middleEast.asp>.

Political power and prestige. The benefits of "power and prestige" are nebulous. Nevertheless, the loss of key currency status and the loss of international creditor status have sometimes been associated, along with such non-economic factors as the loss of colonies and military power, in discussions of the historical decline of great powers. Causality may well flow from key currency status to power and prestige and in the opposite direction as well.[8] On a broader scale, Niall Ferguson[9] notes that one pillar of American dominance can be found in the way successive U.S. government sought to take advantage of the dollar's role as a key currency. Quoting several noted authorities, he notes that [the role of the dollar] enabled the United States to be "far less restrained…than all other states by normal fiscal and foreign exchange constraints when it came to funding whatever foreign or strategic policies it decided to implement." As Robert Gilpin notes, quoting Charles de Gaulle, such policies led to a 'hegemony of the dollar" that gave the U.S. "extravagant privileges." In David Calleo's words, the U.S. government had access to a "gold mine of paper" and could therefore collect a subsidy form foreigners in the form of seignorage (the profits that flow to those who mint or print a depreciating currency). The web contains many more radical interactions of the dollar's role. Usually something along the following lines: World trade is now a game in which the U.S. produces dollars and the rest of the world produces things that dollars can buy. The world's interlinked economies no longer trade to capture a comparative advantage; they compete in exports to capture needed dollars to service dollar-denominated foreign debts and to accumulate dollar reserves to sustain the exchange value of their domestic currencies…. This phenomenon is known as dollar hegemony, which is created by the geopolitically constructed peculiarity that critical commodities, most notably oil, are denominated in dollars. Everyone accepts dollars because dollars can buy oil. The recycling of petro-dollars is the price the U.S. has extracted from oil-producing countries for U.S. tolerance of the oil-exporting cartel since 1973.[10] **America's coercive power in the world is based as much on the dollar's status as the global reserve currency as on U.S. military muscle**. Everyone needs oil, and to pay for it, they must have dollars. To secure dollars, they must sell their goods to the U.S., under terms acceptable to the people who rule America. The dollar is way overpriced, but it's the only world currency. Under the current dollars-only arrangement, U.S. money is in effect backed by the oil reserves of every other nation.[11] While it is tempting to dismiss passages of this sort as uninformed rants, they do contain some elements of truth. There are tangible benefits that accrue to the country whose currency is a reserve currency. The real question is: if this situation is so intolerable and unfair, why hasn't the world ganged up on the United States and changed the system? Why haven't countries like Libya and Iran required something like euros or gold dinars in payment for oil? After all, with the collapse of the Bretton Woods system in 1971 the International Monitary Fund's Standard Drawing Rights (unit of account) was certainly an available alternative to the dollar.[12]

#### That solves extinction

**Barnett 2011** – Former Senior Strategic Researcher and Professor in the Warfare Analysis & Research Department, Center for Naval Warfare Studies, U.S. Naval War College, worked as the Assistant for Strategic Futures in the Office of Force Transformation in the DOD (3/7, Thomas, World Politics Review, “The New Rules: Leadership Fatigue Puts U.S., and Globalization, at Crossroads”, <http://www.worldpoliticsreview.com/articles/8099/the-new-rules-leadership-fatigue-puts-u-s-and-globalization-at-crossroads>, credit to LDK)

Events in Libya are a further reminder for Americans that we stand at a crossroads in our continuing evolution as the world's sole full-service superpower. Unfortunately, we are increasingly seeking change without cost, and shirking from risk because we are tired of the responsibility. We don't know who we are anymore, and our president is a big part of that problem. Instead of leading us, he explains to us. Barack Obama would have us believe that he is practicing strategic patience. But many experts and ordinary citizens alike have concluded that he is actually beset by strategic incoherence -- in effect, a man overmatched by the job.  It is worth first examining the larger picture: We live in a time of arguably the greatest structural change in the global order yet endured, with this historical moment's most amazing feature being its relative and absolute lack of mass violence. That is something to consider when Americans contemplate military intervention in Libya, because if we do take the step to prevent larger-scale killing by engaging in some killing of our own, we will not be adding to some fantastically imagined global death count stemming from the ongoing "megalomania" and "evil" of American "empire." We'll be engaging in the same sort of system-administering activity that has marked our stunningly successful stewardship of global order since World War II.  Let me be more blunt: As the guardian of globalization, the U.S. military has been the greatest force for peace the world has ever known. Had America been removed from the global dynamics that governed the 20th century, the mass murder never would have ended. Indeed, it's entirely conceivable there would now be no identifiable human civilization left, once nuclear weapons entered the killing equation.  But the world did not keep sliding down that path of perpetual war. Instead, America stepped up and changed everything by ushering in our now-perpetual great-power peace. We introduced the international liberal trade order known as globalization and played loyal Leviathan over its spread. What resulted was the collapse of empires, an explosion of democracy, the persistent spread of human rights, the liberation of women, the doubling of life expectancy, a roughly 10-fold increase in adjusted global GDP and a profound and persistent reduction in battle deaths from state-based conflicts.

#### Oil revenue is key to the Iranian economy and stability – funds populist spending and checks sanction damage

Fareed Mohamedi, 2012; partner and head of oil markets and country strategies at PFC Energy, a Washington DC based oil and gas consultancy. The Oil and Gas Industry http://iranprimer.usip.org/resource/oil-and-gas-industry

Misuse of oil revenues has also caused long term-economic problems. After he was first elected in 2005, Ahmadinejad embarked on a populist spending program encouraged by higher oil prices. However, his plan has overcommitted the government to support social welfare, which Tehran will not be able to afford if oil prices remain low long-term. Iran has built up its foreign exchange because of higher oil prices over the past decade. **But should oil prices fall, its reserves could be depleted rapidly.** Ahmadinejad has already subverted the Oil Stabilization Fund, which was originally designed to save excess oil revenues in a rainy day fund. He tapped the fund to support higher spending levels. Iran’s longstanding subsidies—to support consumption of refined oil products and natural gas—have also become a huge burden on the Iranian budget and its balance of payments. Iranians pay as little as 38 cents for a gallon of subsidized gasoline. This has resulted in runaway consumption and rising imports of gasoline. Iran currently imports up to 40 percent of its refined oil needs, because its own refineries cannot handle the volume needed for domestic consumption. Gasoline imports, which have to be paid for in hard currency at world market prices, account for around 3 percent of Gross Domestic Product (GDP). This, however, does not measure the true cost of subsidies. Total petroleum subsidies, including for consumption of those domestically produced, accounted for 20 percent of GDP.

#### Iranian economic collapse causes lashout and Middle East war

Alex Fishman 1-17-2012; writer for YNet News, “Beware Iranian desperation” http://www.ynetnews.com/articles/0,7340,L-4176675,00.html

Everybody talks about the spring, because everyone is convinced that Israel will be striking Iran at that time, a move that will ignite the Middle East. The scenario is rather banal and emerges in every defense panel in the global media: This year, the Iranians will complete the task of moving their nuclear project deep underground, and from that moment an aerial strike would be much less effective. Hence, a strike appears to be required as soon as is possible. However, there is another possibility that is much more realistic, much closer to materializing, and unrelated to an attack on Iran’s nuclear sites. This scenario asserts that the ones to first pull the trigger will be the Iranians, against the backdrop of Tehran’s economic chokehold and growing global isolation. Iran is starting to be pushed into a corner in the face of existing pressure, and more so as result of pressures to be exerted very soon. Tehran’s economic collapse is already around the corner. The regime sees the thousands standing in line at banks these days in order to exchange the local currency for dollars – but there are none. On the black market, the gap already stands at 60%. Nobody can predict the breaking point that would prompt Ahmadinejad to act desperately; the point where the ayatollahs feel threatened enough to resort to a military provocation that would bully the world and exact such high price as to prompt the international community to lift the chokehold.

#### High oil prices are key to UAE budget balance, prevent economic downturn, and checks social unrest

Ashwin Matabadal June 2012 Country Risk Research Economic Research Department Rabobank Nederland; Economic Research Department, Country report

UNITED ARAB EMIRATES overons.rabobank.com/publicationservice/download/United\_Arab\_Emirates-201206.pdf

The UAE has hardly been touched by the political turmoil in the Arab world. The economic and social factors that have contributed to the unrest elsewhere in the region are less significant in the UAE. With more than 85% of the labor force expatriate, the country’s small national population of less than one million enjoys a high living standard in -from a regional perspective at least- a relatively open and tolerant society. Nationals enjoy financial advantages through generous social security and housing support. But unemployment among nationals is high (14% in 2010) and concentrated in the smaller, less relevant Emirates, where the authorities responded with promises of public investments, wage raises and higher food subsidies. ‘Emirization’ of the labor market is thus a high political priority. The income disparity (millionaires vs. underpaid migrant workers) is extremely wide and a potential source of social tension. The UAE government has not been outspoken on the Arab Spring protests in the region. There is no doubt the government is concerned about the potential longer-term fallout, not least given the heightened tensions in Bahrain. With regards to Bahrain, the UAE has similar fears as Saudi Arabia. It not only fears the possibility that a Gulf monarchy could be overthrown, but also the possibility of a Shi'a state emerging on the Gulf that could serve to boost Iran's sense of influence and power in that area. Yemen's continued descent into political turmoil is another major concern for the UAE due to Al-Qaeda's resurgent presence in the country. The UAE will likely continue to take pro-active measures to mitigate domestic social tensions, while aligning its regional response with that of its fellow Gulf Cooperation Council (GCC) countries. Economic policy The UAE’s financial position will remain based on hydrocarbons, although economic diversification is underway. Daring Dubai led the way in diversification, which now slowed as it needs to focus on repaying its debts through spending cuts. Abu Dhabi’s diversification program consists of largescale government investment in infrastructure and industry, while Dubai seeks to stimulate private sector involvement in trade and tourism. Data show that the aggregated UAE fiscal balances remain in surplus. Changes in revenues levels are **largely determined by oil prices changes**. Abu Dhabi National Oil Company’s profit transfers and Abu Dhabi Investment Authority’s (ADIA) investment income are the most important sources of revenues. There are no income taxes, while only foreign banks and foreign energy firms pay ‘charges’, but introducing broader taxation (incomes and VAT) is under consideration. On the expenditures side figure not only food and housing subsidies and large investment outlays, but also substantial capital support for the financial sector and Dubai, where further equity and loans injections may be needed. The level of these contingent Dubai-related liabilities are at UAE level considered manageable, given ADIA’s estimated reserves of USD 300bn. At the level of individual emirates, non-oil and indebted Dubai continues to report deficits. These are now decreasing and compensated by abundant oil-based surpluses of Abu Dhabi. The minimal oil price needed to break-even the consolidated budget increased from USD 30 per barrel in 2003 to around USD 92 per barrel in 2011. This higher minimum break-even price reflects much higher government expenditures and is a risk in the event of declining oil prices. We expect a budget surplus of 5.4% in 2012.

#### The UAE regime is key to Middle East stability, naval power, and nonprolif

Rob Sobhani 12-12-2011; PhD in Political Economy and former professor at Georgetown, CEO, Caspian Group Holdings “The U.A.E.: America's Reliable Partner” http://www.huffingtonpost.com/rob-sobhani/the-uae-us-relations\_b\_1138795.html

Beyond being moved by his soul, it is Sheikh Mohammed's clear thinking strategic mind that plays a key role in shaping U.S.-U.A.E. relations and by default protecting the vulnerable yet strategic energy resources of the Persian Gulf. If the clerics in Iran represent the arc of instability in the Middle East, Abu Dhabi represents **the arc of stability**. The regime in Tehran continues to meddle in the internal affairs of its neighbors and supports terrorist organizations. Therefore, if Iran were to develop a nuclear weapon the consequences for the region would be devastating. Sheikh Mohammed understands this existential threat and luckily for Washington has been the architect of a close strategic, defense and security relationship between the U.S. and U.A.E. According to the Pentagon, the value of military sales to the U.A.E. stands at almost $22 billion. In addition, the U.A.E. hosts more U.S. navy ships than any port outside of the U.S. Not surprisingly, it is the most active Arab partner in Operation Enduring Freedom. Furthermore, the U.A.E. continues to play a critical role in efforts to curb and stop nuclear proliferation. According to American officials, it has shown leadership in taking important steps to enforce export controls and to ensure that sensitive items do not make their way to Iran.

#### Middle East prolif causes nuclear war

Dr. Shmuel Bar 3-7-2011 ; Director of Studies at the Institute of Policy and Strategy in Herzliya, Israel; Can Cold War Deterrence Apply to a Nuclear Iran? Jerusalem Center for Public Affairs Institute for Contemporary Affairs STRATEGIC PERSPECTIVES Number 7 – 2011; <http://www.jcpa.org/text/cold_war_deterrence_nuclear_iran.pdf>

How will a polynuclear Middle East function? It is nearly certain that it will not look like the latter years of the Cold War. The religious and political drivers that will determine nuclear decision-making in the countries of the region will preclude integration of many of the checks and balances which evolved between the superpowers in the Cold War era. The most powerful driver that has the potential to impel the region to nuclear war is religion. Both Sunni and Shiite traditions of Jihad view the willingness to challenge superior force as an exemplary deed. In Shiite Islam, this is augmented by the idealization of suffering and martyrdom.  Given weak command and control structures in the region, nuclear weapons may filter down to quasi-states (such as Kurdistan or the Palestinian Authority), terrorist organizations, and rival ethnic groups for whom the acquisition of nuclear weapons by a hostile state would be an incentive to acquire at least a limited WMD capability.  The countries of the region will probably be more predisposed than the Cold War protagonists to brandish their nuclear weapons not only rhetorically but through nuclear alerts or nuclear tests, **leading to situations of multilateral nuclear escalation.** However, such multilateral escalation will not be mitigated by Cold War-type hotlines and means of signaling, and the absence of a credible secondstrike capability may well strengthen the tendency to opt for a first strike.

### Case – Econ

#### Global growth will increase – long term trends

**Lowrey, 1/23/13** (Annie, “I.M.F. Forecasts Modest Global Economic Growth” New York Times, <http://www.nytimes.com/2013/01/24/business/economy/imf-forecast-global-economic-growth-modest-at-best.html?_r=0>)

The International Monetary Fund said on Wednesday that it continued to expect a modest upturn in global growth in 2013, with fewer risks of major policy mistakes and lower levels of financial stress.

The fund cautioned, however, that growth was not expected to snap back to precrisis levels in the coming years. Over all, the fund expects global growth of 3.5 percent in 2013 and 4.1 percent in 2014, up from 3.2 percent in 2012. In the years just before the global downturn, annual economic growth was 4.5 to 5.5 percent.

“If crisis risks do not materialize and financial conditions continue to improve, global growth could be stronger than projected,” the Washington-based fund said in its economic report. “However, downside risks remain significant, including renewed setbacks in the euro area and risks of excessive near-term fiscal consolidation in the United States. Policy action must urgently address these risks.”

The fund issued a routine update to the projections it makes in its twice-yearly World Economic Outlook report. This time, it whittled down many of the forecasts for 2013 that it had made in October, knocking 0.1 percentage point from its United States growth forecast, 0.3 percentage point from the euro area and 0.4 percentage point from the newly industrialized Asian economies, like Singapore and South Korea.

Still, the International Monetary Fund noted that financial stresses and the risk of a major policy shock in Europe and the United States had decreased. “Optimism is in the air,” said Olivier Blanchard, the fund’s chief economist, at a news conference. “Some cautious optimism may indeed be justified,” he added. “We may have avoided the cliffs, but we still face high mountains.”

#### Growth is increasing and the economy resilient

Gautam Godhwani 8-15-2012; CEO, SimplyHired.com “Signs Of Resilience In Our Economy” http://www.huffingtonpost.com/gautam-godhwani/us-economy-jobs\_b\_1778664.html

This month's Labor Department job report was also more positive than expected, showing that over the past month, the U.S. economy created jobs at the fastest pace since February of this year. Employers added a total of 163,000 jobs in July. And after disappointing reports in May and June, this change of direction demonstrates strength and resilience in our economy. We've seen this again and again in our history, and it has brought us out of past recessions and slow economic times. Consider what we've endured in the last five years: the collapse of the housing market, the financial crisis that followed, debt ceiling talks, the European debt crisis, and dramatic shifts in oil prices. All of this created the worst recession since the Great Depression, and brought consumer confidence to historic lows. With consumer spending making up 70 percent of the U.S. economy, we saw a spiral down across the economy. Businesses slowed hiring and unemployment rates rose dramatically, with millions of Americans out of work. The nation was in a panic. Four years later, we see growth in nearly every industry. Our August U.S. Employment Outlook revealed growth in job openings in 14 out of 18 industries over the last month, including the automotive, education, financial services, real estate, and technology sectors. It also showed that over the past year, we've even seen job openings increase in some of the nation's hardest hit industries, including construction and manufacturing. In addition, strong performing industries from recent past years, such as healthcare, continue to flourish with a consistent increase in job openings. Further, small businesses, which have historically been a key engine of our economy, have resumed hiring after a lull during the recessionary period. As employers continue to look at filling open positions and ramp their hiring efforts, our country's prospect of economic growth and recovery is bright -- albeit slow going. The U.S. economy is built upon businesses large and small, providing goods and services across a wide range of sectors. There are undeniable signs that we've seen the worst of the recent economic downturn, and that better times are ahead. If anything, our recovery from the Great Recession shows that our economy is as resilient as ever.

#### Energy production doesn’t solve jobs

Levi 12 – Senior Fellow (at CFR) for Energy and the Environment and Director of the Program on Energy Security and Climate Change (Michael, July/August, “Think Again: The American Energy Boom” <http://www.foreignpolicy.com/articles/2012/06/18/think_again_the_american_energy_boom?page=full>) Jacome

"The U.S. Energy Boom Will Create Millions of New Jobs."

**Overstated**. The U.S. oil and gas boom has come at an auspicious time. With record numbers of Americans out of work, hydrocarbon production is helping create much-needed jobs in communities from Pennsylvania to North Dakota. Shale gas production alone accounted for an estimated 600,000 U.S. jobs as of 2010, according to the consultancy IHS CERA.

It's much harder, though, to extrapolate into the future. In a deeply depressed economy, new development can put people to work without reducing employment elsewhere. That's why boom states have benefited massively in recent years. The same is not true, though, in a more normal economy. Unemployment rates are typically determined by fundamental factors such as the ease of hiring and firing and the match between skills that employers need and that workers have. The oil and gas boom won't change these much.

That's why we should be skeptical about rosy projections of millions of new jobs. Wood MacKenzie, for example, claims that the energy boom could deliver as many as 1.1 million jobs by 2020, while Citigroup forecasts a whopping 3.6 million. Unless the U.S. economy remains deep in the doldrums for another decade, these will mostly come **at the expense of jobs elsewhere.**

#### Monetary policy and decreased oil intensiveness checks econ collapse

Ross DeVol 3-13-2012; chief research officer at the Milken Institute, a non-partisan, independent economic think tank. He is also author of “Jobs for America: Investments and Policies for Economic Growth and Competitiveness.” The $110 Effect: What Higher Gas Prices Could Really Do to the Economy <http://www.theatlantic.com/business/archive/2012/03/the-110-effect-what-higher-gas-prices-could-really-do-to-the-economy/254386/>

It is not only good short-term news that consumers have cut their purchases of gasoline since the 2007 jump in prices; it's even better long-term news for the broader economy. As the chart above shows, the U.S. economy doesn't require as much oil to produce a given level of GDP as it did prior to the first oil price shock (OPEC I) in 1973-74. Oil consumption (average barrels per day) per $1 million of real GDP dropped from 3.34 in 1975 to 1.46 in 2010, a 56.2 percent drop. A confluence of factors contributed to this, ranging from the introduction of more energy-efficient capital equipment and transportation vehicles to natural gas replacing oil in electricity generation. Oil accounts for miniscule share of electricity generation (less than 1 percent), the biggest reduction of any end-use segment since OPEC I. In post-World War II recessions, the Fed had either been tightening monetary policy (raising interest rates) prior to the onset of the recession or did so immediately after the spike in oil prices. Rising inflation-adjusted interest rates provided an additional channel through which the oil shock was transmitted to the real economy (the part of the economy producing goods and services). For example, the real fed funds rate hit 4.5 percent in 1973 and 9.3 percent in 1981. With a weak recovery after the Great Recession, and slack in labor and product markets, the Fed simply won't engage in such a highly restrictive monetary policy stance. Today, the Fed would likely move to implement a third round of quantitative easing in reaction to a spike in prices in an effort to boost the economy. Today's range of oil prices are not high enough to trigger a recession.

#### Prices aren’t high enough to collapse the economy, but falling prices would tank petrostates and cause insane, rapid up-and-down price shocks that access your impact

Matthew Hulbert 7-9-2012; specialises in energy security and political risk and is a regular contributor to European Energy Review “The political perils of low oil prices” <http://www.europeanenergyreview.eu/site/pagina.php?id=3796>

And that's the whole problem here - the gap between geological costs of production and the geopolitical cost of survival is simply too wide for producers to cover without falling back on draconian measures. If this 'self-correcting' mechanism between price and political unrest starts supporting an informal price floor then so be it, but we shouldn't be fooled that this is serving anyone's interests - on either side of the consumer-producer ledger. Yes, it will help firm prices when certain producers struggle to adapt to rapidly shifting economic conditions, but assuming that more and more producer states hit political problems as prices slip, we're merely cementing the 'too big to fail' status of the very largest oil producers. Seeing petro-states dropping like political flies as prices correct isn't a proper 'solution' for a floor, not only because prices will rebound with a vengeance when markets tighten, but because it will make us even more dependent on a handful of key suppliers. As we all know from previous problems in Iraq (2.9 mb/d), Iran (3 mb/d), Libya (1.48 m/bd), Nigeria (2.4 mb/d) and even Venezuela (2.7 mb/d), once things go politically wrong, it takes a very long time, if ever, to get back to optimal production levels. It's the antithesis of where consumers want to be in terms of sourcing plentiful and fungible supplies. Final scene: corpses all over the stage By way of reminder, as much as petro-states currently face a systemic crisis trying to set a price floor, it was only in March that we saw how badly placed OPEC is to moderate the market at the top. Seeing petro-states in a pickle might warm the hearts of many right now, but markets can turn, and turn fast. When they do, the oil weapon will shift target as well. It will no longer be pointed at petro players heads, but directly at consumer states. That's the consequence of a dysfunctional energy system - not just with a $50-$150/b outlook eminently possible, but swings well beyond that 'price band' all too likely. Splitting this price directly in two and sticking close to $100/b might not be that bad an idea after all: Mopping up the mess from producer state implosion would require an effort far beyond the international systems capabilities and reach. Carefully agreed truces are always better than outright wars, particularly for those squeamish about collateral damage. Corpses would litter the entire energy stage.

### Case – Russia

#### Russia isn’t suffering from Dutch Disease – no risk of currency overvaluation

Mark Adomanis 6-22-2012; analyst for Forbes Is Russia Suffering From Dutch Disease? <http://www.forbes.com/sites/markadomanis/2012/06/22/is-russia-suffering-from-dutch-disease/>

Part of the reason that Russia is not experiencing Dutch Disease (which is something you would normally expect in a country that has earned such an enormous pile of money from selling oil and natural gas) is that the world economy has been in turmoil for most of the past 4 years: there has been a “flight” to quality in “safe” assets and currencies which has surely worked to weaken the ruble and depress its value. The “new normal” is actually a pretty bizarre state of affairs, and is characterized by any number of things, such as negative real interest rates on German Bunds and US treasuries, that ten years ago would have seemed impossible. Russia’s economy faces an awful lot of risks, and its over-dependence on natural resources is extremely dangerous, particularly at a time that global growth is slamming to a halt. Buckley is right that Russia needs to diversify, and that its government will find this process to be an extremely difficult and complicated one. But, at the present time, one of the very few economic risks that Russia doesn’t face is Dutch Disease: its currency isn’t overvalued and, if anything, is actually trending lower against the main reserve currencies.

#### Russia’ growth is strong and stable

Anders **Aslund** 12-28-20**12**, Peterson Institute for International Economics “You're a Mean One, Mr. Putin” Op-ed in Foreign Policy http://www.iie.com/publications/opeds/oped.cfm?ResearchID=2306

Paradoxically, Russia is doing very well economically. The wealth in Moscow is just astounding, not only with its 100 billionaires but also a vast middle class. Macroeconomic data are stellar. The consensus expected 2012 growth rate is 3.6 percent, while neighboring Europe is mired in recession. Russia has a budget surplus and almost no public debt, a huge current account surplus, and bulging international currency reserves. Admittedly, Russia thrives on large energy exports, but oil prices are high and likely to stay there.

#### Slow diversification is inevitable, but fast diversification forced by low oil prices would destroy comparative advantage – that’s key to the economy

Clifford G. Gaddy 6-16-2011; Senior Fellow at the Brookings Institution, Washington, DC, economist specializing in Russia, “Will the Russian economy rid itself of its dependence on oil?” http://en.rian.ru/valdai\_op/20110616/164645377.html

To ask whether the Russian economy will rid itself of its “dependence on oil” is to ask whether ideology will trump economics. Many people in Russia—including President Medvedev—seem to believe Russia should de-emphasize the role of oil, gas, and other commodities because they are “primitive.” Relying on them, they argue, is “degrading.” From the economic point of view, this makes no sense. Oil is Russia’s comparative advantage. It is the most competitive part of the economy. Oil and gas are something everyone wants, and Russia has more of them than anyone else. It is true that the Russian economy is backward, and that oil plays a role in that backwardness. But oil is not the root cause. The causes of Russia’s backwardness lie in its inherited production structure. The physical structure of the real economy (that is, the industries, plants, their location, work forces, equipment, products, and the production chains in which they participate) is predominantly the same as in the Soviet era. The problem is that it is precisely the oil wealth (the so-called oil rent) that is used to support and perpetuate the inefficient structure. For the sake of social and political stability, a large share of Russia’s oil and gas rents is distributed to the production enterprises that employ the inherited physical and human capital. The production and supply chains in that part of the economy are in effect “rent distribution chains.” A serious attempt to convert Russia’s economy into something resembling a modern Western economy would require dismantling this rent distribution system. This would be both highly destabilizing, and costly in terms of current welfare. Current efforts for “diversification” do not challenge the rent distribution system. On the contrary, the kinds of investment envisioned in those efforts will preserve and reinforce the rent distribution chains, and hence make Russia more dependent on oil rents. Even under optimal conditions for investment, any dream of creating a “non-oil” Russia that could perform as well as today’s commodity-based economy is unrealistic. The proportion of GDP that would have to be invested in non-oil sectors is impossibly high**.** Granted, some new firms, and even entire sectors, may grow on the outside of the oil and gas sectors and the rent distribution chains they support. But the development of the new sectors will be difficult, slow, and costly. Even if successful, the net value they generate will be too small relative to oil and gas to change the overall profile of the economy. Thus, while it is fashionable to talk of “diversification” of the Russian economy away from oil and gas, this is the least likely outcome for the country’s economic future. If Russia continues on the current course of pseudo-reform (which merely reinforces the old structures), oil and gas rents will remain important because they will be critical to support the inherently inefficient parts of the economy. On the other hand, if Russia were to somehow launch a genuine reform aimed at dismantling the old structures, the only realistic way to sustain success would be to focus on developing the commodity sectors. Russia could obtain higher growth if the oil and gas sectors were truly modern. Those sectors need to be opened to new entrants, with a level playing field for all participants. Most important, oil, gas, and other commodity companies need to be freed from the requirement to participate in the various informal schemes to share their rents with enterprises in the backward sectors inherited from the Soviet system. Certainly, there are issues with oil. It is a highly volatile source of wealth. But there are ways to hedge those risks. A bigger problem is that oil will eventually lose its special status as an energy source and therefore much of its value. But that time is far off. It will not happen suddenly. In the meantime, sensible policies can deal with the problems. Otherwise, the approach should be to generate the maximum value possible from the oil and protect that value through prudent fiscal policies. Russia should not, can not, and will not significantly reduce the role of oil and gas in its economy in the foreseeable future. It will only harm itself by ill-advised and futile efforts to try.

#### High prices in the short term are key to the Russian economy and domestic stability

Michael Schuman 7-5-2012 ; writes about Asia and global economic issues as a correspondent for TIME in Hong Kong. B.A. in Asian history and political science from the University of Pennsylvania and a master of international affairs from Columbia; “Why Vladimir Putin Needs Higher Oil Prices” http://business.time.com/2012/07/05/why-vladimir-putin-needs-higher-oil-prices/

But Vladimir Putin is not one of them. The economy that the Russian President has built not only runs on oil, but runs on oil priced extremely high. Falling oil prices means rising problems for Russia – both for the strength of its economic performance, and possibly, the strength of Putin himself. Despite the fact that Russia has been labeled one of the world’s most promising emerging markets, often mentioned in the same breath as China and India, the Russian economy is actually quite different from the others. While India gains growth benefits from an expanding population, Russia, like much of Europe, is aging; while economists fret over China’s excessive dependence on investment, Russia badly needs more of it. Most of all, Russia is little more than an oil state in disguise. The country is the largest producer of oil in the world (yes, bigger even than Saudi Arabia), and Russia’s dependence on crude has been increasing. About a decade ago, oil and gas accounted for less than half of Russia’s exports; in recent years, that share has risen to two-thirds. Most of all, oil provides more than half of the federal government’s revenues. What’s more, the economic model Putin has designed in Russia relies heavily not just on oil, but high oil prices. Oil lubricates the Russian economy by making possible the increases in government largesse that have fueled Russian consumption. Budget spending reached 23.6% of GDP in the first quarter of 2012, up from 15.2% four years earlier. What that means is Putin requires a higher oil price to meet his spending requirements today than he did just a few years ago. Research firm Capital Economics figures that the government budget balanced at an oil price of $55 a barrel in 2008, but that now it balances at close to $120. Oil prices today have fallen far below that, with Brent near $100 and U.S. crude less than $90. The farther oil prices fall, the more pressure is placed on Putin’s budget, and the harder it is for him to keep spreading oil wealth to the greater population through the government. With a large swath of the populace angered by his re-election to the nation’s presidency in March, and protests erupting on the streets of Moscow, Putin can ill-afford a significant blow to the economy, or his ability to use government resources to firm up his popularity. That’s why Putin hasn’t been scaling back even as oil prices fall. His government is earmarking $40 billion to support the economy, if necessary, over the next two years. He does have financial wiggle room, even with oil prices falling. Moscow has wisely stashed away petrodollars into a rainy day fund it can tap to fill its budget needs. But Putin doesn’t have the flexibility he used to have. The fund has shrunk, from almost 8% of GDP in 2008 to a touch more than 3% today. The package, says Capital Economics, simply highlights the weaknesses of Russia’s economy: This cuts to the heart of a problem we have highlighted before – namely that Russia is now much more dependent on high and rising oil prices than in the past… The fact that the share of ‘permanent’ spending (e.g. on salaries and pensions) has increased…creates additional problems should oil prices drop back (and is also a concern from the perspective of medium-term growth)…The present growth model looks unsustainable unless oil prices remain at or above $120pb.

### Case – Asia pivot

#### No Senkaku conflict — multiple safeguards and reversible tensions

**Feng 10 –** professor at the Peking University International Studies [Zhu, “An Emerging Trend in East Asia: Military Budget Increases and Their Impact”, http://www.fpif.org/articles/an\_emerging\_trend\_in\_east\_asia?utm\_source=feed]

As such, the surge of defense expenditures in East Asia does not add up to an arms race. No country in East Asia wants to see a new geopolitical divide and spiraling tensions in the region. The growing defense expenditures powerfully illuminate the deepening of a regional “security dilemma,” whereby the “defensive” actions taken by one country are perceived as “offensive” by another country, which in turn takes its own “defensive” actions that the first country deems “offensive.” As long as the region doesn’t split into rival blocs, however, an arms race will not ensue. What is happening in East Asia is the extension of what Robert Hartfiel and Brian Job call “competitive arms processes.” The history of the cold war is telling in this regard. Arm races occur between great-power rivals only if the rivalry is doomed to intensify. The perceived tensions in the region do not automatically translate into consistent and lasting increases in military spending. Even declared budget increases are reversible. Taiwan’s defense budget for fiscal year 2010, for instance, will fall 9 percent. This is a convincing case of how domestic constraints can reverse a government decision to increase the defense budget. Australia’s twenty-year plan to increase the defense budget could change with a domestic economic contraction or if a new party comes to power. China’s two-digit increase in its military budget might vanish one day if the type of regime changes or the high rate of economic growth slows. Without a geopolitical split or a significant great-power rivalry, military budget increases will not likely evolve into “arms races.” The security dilemma alone is not a leading variable in determining the curve of military expenditures. Nor will trends in weapon development and procurement inevitably induce “risk-taking” behavior. Given the stability of the regional security architecture—the combination of U.S.-centered alliance politics and regional, cooperation-based security networking—any power shift in East Asia will hardly upset the overall status quo. China’s military modernization, its determination to “prepare for the worst and hope for the best,” hasn’t yet led to a regional response in military budget increases. In contrast, countries in the region continue to emphasize political and economic engagement with China, though “balancing China” strategies can be found in almost every corner of the region as part of an overall balance-of-power logic. In the last few years, China has taken big strides toward building up asymmetric war capabilities against Taiwan. Beijing also holds to the formula of a peaceful solution of the Taiwan issue except in the case of the island’s de jure declaration of independence. Despite its nascent capability of power projection, **China shows no sign** that it would coerce Taiwan or become **militarily** assertive over contentious territorial claims ranging from the Senkaku Islands to the Spratly Islands to the India-China border dispute.

#### No Asia pivot – unreliable allies, domestic politics, retrenchment, and weak commitments

Paul Eckert 6-15-2012; analyst for Reuters, Analysis: Obama's Asia "pivot" advances, but obstacles await <http://www.reuters.com/article/2012/06/15/us-usa-pacific-pivot-idUSBRE85E1B420120615>

(Reuters) - An intense fortnight of top-level U.S. engagement with Asian countries from powerful India to tiny Singapore has highlighted President Barack Obama's seriousness about reasserting American power across the Pacific - but also the obstacles he faces. Even as a conflict elsewhere, in Syria, worsened dramatically this month, the Obama administration's top officials spent much of their face-time with Asian colleagues. Defense Secretary Leon Panetta toured Singapore, Vietnam and India; Obama hosted Philippine President Benigno Aquino at the White House; and Secretary of State Hillary Clinton welcomed counterparts from Cambodia, Thailand, India and South Korea. Virtually every country on the list is a potential friction point between the United States and a rising China, and many share Washington's concern about Beijing's increasing economic and military influence. "All of this happening at the same time does a very good job of conveying the message that we are paying attention to the region, that it's of great importance to us and that we intend to focus on it even more," said Michael Mazza, a security expert at the American Enterprise Institute in Washington. But meetings and messaging may be the easy part, Mazza and other analysts say. China's rapid military build-up and its tough stance on territorial disputes with weaker Southeast Asian neighbors has inadvertently given a boost to Obama's enhanced Asia strategy, variously called a pivot, a refocus or a rebalancing. But ahead still lies the harder work of matching the expectations of Washington's partners - including mustering the political will to overcome U.S. fiscal deficits and dispelling a growing sense that the United States is declining while China rises. U.S. policy also has to factor in historical ambivalence about the United States in India and several other regional democracies, as well as political disarray in long-time ally Japan. Countries with troubling human rights records like Vietnam and Cambodia have limited appeal in the U.S. Congress, while leaders of these states see political risks in getting too close to Washington. And the U.S. strategy, while drawing some verbal fire from China, has yet to be tested in a serious way. That might happen if, for example, the Philippines' ongoing showdown with Beijing over contested shoals in the South China Sea were to deteriorate into a military conflict that invoked U.S. Mutual Defense Treaty obligations to Manila.

#### Chinese expansion isn’t aggressive or dangerous

Dr Jian Junbo 9-26-2012; assistant professor of the Institute of International Studies at Fudan University, Shanghai. “US pivots toward trouble in West Pacific” http://www.atimes.com/atimes/China/NI26Ad01.html

A careful review of China's positions and claims on islands and waters in the South and East China seas will show that Beijing has not changed its stance for decades. It is not new. It should also be noted that similar positions and claims are also held by Taiwan, a democratic island politically separated from mainland China. What does this mean? It means Beijing's positions over territorial disputes have nothing to do with its rise, its political system or its internal politics. The challenge is from the outside - its neighbors, with the backing of the US.

#### Chinese modernization makes regional containment inevitable

Paul Eckert 6-15-2012; analyst for Reuters, Analysis: Obama's Asia "pivot" advances, but obstacles await <http://www.reuters.com/article/2012/06/15/us-usa-pacific-pivot-idUSBRE85E1B420120615>

For now, many nations in Asia have welcomed the U.S. pivot despite the danger of antagonizing Beijing, said Ross Babbage, a defense analyst and founder of the Kokoda Foundation, an independent security policy unit in Canberra, Australia. "What you are seeing is key players in the region playing their cards differently," he said. Australia and other traditional U.S. allies have publicly backed Washington's new strategy, while others, such as Vietnam, have quietly but enthusiastically sought closer ties to counter China's "turbo-charged" military expansion, Babbage said. Threatened by China's growing assertiveness, Manila sees Washington's new Asia policy as "essential to ameliorate its growing security dilemma," said Rommel Banlaoi, head of the Center for Intelligence and National Security Studies of the Philippine Institute for Peace, Violence and Terrorism Research.

## 2nc econ

### A2 econ

#### Literally every economic indicator is positive – long term trends are outstanding

**Minerd, 1/25**/13 - Chief Investment Officer and a Managing Partner of Guggenheim Partners, LLC, a privately held global financial services firm with more than $160 billion in assets under supervision(Scott, Seeking Alpha (an investment site), “ The U.S. Economy Is Reaching Escape Velocity” <http://seekingalpha.com/article/1134471-the-u-s-economy-is-reaching-escape-velocity?source=google_news>

The U.S. economy is reaching "escape velocity," powered by the monetary rocket fuel from central banks around the world. Almost every domestic economic indicator is now positive, and the economic backdrop is stronger than it has been in the last seven years. We are in the healthiest financial condition since 2003. If the post-2003 experience were to be repeated, we could see an uninterrupted economic expansion for four years. Although pockets of uncertainty remain, such a favorable outlook for the economy and markets cannot to be ruled out.

Investors can expect a continuation of the themes that have dominated the environment since the recovery began: tighter credit spreads, low interest rates, improving employment, modest inflation, and sustained economic growth. Historically low interest rates and continued earnings growth will support higher equity valuations. As leveraged buyouts come back into play, undervalued companies with large cash balances are sure to be targets. More merger and acquisition activity would lift share prices higher, furthering the expansionary trend that is already underway.

#### Even if a slight short-term downturn occurs the economy will still pickup – consensus of economists

**Bloomberg, 1/23/13** (“Economic Slowdown Likely in Early 2013, Followed by Better Growth” PR Newswire, <http://www.prnewswire.com/news-releases/economic-slowdown-likely-in-early-2013-followed-by-better-growth-187932251.html>)

Major shifts in federal fiscal policy will bring about continued uncertainty and a temporary slowdown in economic growth in the first half of 2013, but a strengthening private sector is expected to boost growth in the second half of the year, according to Bloomberg BNA's annual Economic Outlook released today.

(Logo: http://photos.prnewswire.com/prnh/20120110/DC33627LOGO)

The consensus forecast of economists at 21 leading financial, consulting, and academic organizations across the United States also calls for the unemployment rate to continue on a gradual downward slope from its recent four-year low of 7.8 percent to an average of 7.5 percent in the second half of 2013.

Posing a threat to this outlook, analysts said, is the potential for a damaging federal budget crisis if President Obama and congressional Republican leaders cannot reach agreement on the debt ceiling increase and a long-term deficit reduction plan. Following is a summary of the 2013 forecast:

U.S. Economy

Economy will slow in early 2013 from impacts of the payroll tax hike and constraints on federal spending, but growth will improve in second half of the year as the private sector strengthens.

Key drivers of growth will be business investment and job creation, the housing industry recovery, and consumer spending.

Major risks to the economy would loom if President Obama and Congress are unable to agree on a plan to raise the debt ceiling and curb growth in the long-term deficit.

Labor Markets

Job growth gains will be modest in the first six months of 2013, accelerating to 176,000 jobs per month in the second half of the year.

Unemployment rate will continue on a gradual downward slope, from 7.8 percent at the end of 2012 to 7.5 percent on average in the second half of 2013.

Private sector workers' total hourly compensation will grow 2.6 percent in 2013, up from a 2.0 percent gain in 2012, as of the third quarter.

Monetary Policy

Federal Reserve will maintain its historically low, near-zero federal funds rate target through at least the end of 2013.

Central bank likely will continue its program of ongoing bond purchases, known as quantitative easing, into 2014.

Inflation is expected to stay tame, at close to the Fed's preferred rate of about 2 percent.

World Economy

Euro zone's risk of an escalating crisis has diminished, and recession is expected to end during the course of 2013 as economic growth resumes.

Globally, downside and upside risks are more balanced than a year ago, and stronger-than-expected growth is possible, notably in the U.S. housing and labor markets.

Growth in trade volume, which began picking up in the fourth quarter of 2012, will gain further momentum in 2013, led by developing countries.

### A2 jobs

#### Oil production increases don’t solve employment – and they only cause job shifting, not growth

Casey Junkins 6-13-2012; West Virginia Observer “Drilling Not Helping Jobless Numbers” http://www.theintelligencer.net/page/content.detail/id/570900/Drilling-Not-Helping-Jobless-Numbers.html?nav=515

WHEELING - As West Virginia's unemployment rate jumps to 6.9 percent, some Mountain State residents believe a hiring boom in the oil and natural gas drilling industry is just around the corner. However, information from WorkForce West Virginia shows the Marcellus and Utica shale drilling industry has not created much direct employment over the past two years. "We've not seen much change in employment in the oil and gas industry over the past year. Employment in oil and gas in 2010 was 2,244, dropping slightly to 2,179 in 2011," said WorkForce spokeswoman Courtney Sisk. The presence of the drilling industry does lead to increased employment in certain areas, as restaurant and hotel owners report being very busy these days because of drillers working in the area. There are also companies that supply materials to the drilling industry that may hire more employees to meet these needs, while retailers may also see an upswing in some business because of mineral owners receiving spending money from lease and royalty checks. However, the WorkForce statistics show that the number of West Virginia residents working directly for gas and oil drillers has not increased over the past two years, despite a continued upswing in drilling and fracking. Gas industry jobs paying nearly $30 per hour are on the way to Marshall County soon, as Dominion Resources will look to hire 40-45 full-time, permanent workers for the natural gas processing plant set to open in December. There will be positions for electricians, plant operators and loaders. In all employment sectors combined, the number of jobless West Virginians residents rose by 1,900 in May to 55,600. There are 1,400 fewer people working in the mining and logging industries, while there are 400 fewer people employed in the manufacturing sector. West Virginia's unemployment rate was 6.7 percent in April. On the positive side, there are 400 more people working in the financial industry with another 100 more working in government. West Virginia's unemployment rate is still more than one point better than the 8.2 percent national average. In addition to serving as a Republican member of West Virginia's House of Delegates from Ohio County, Erikka Storch is also the chief financial officer for Wheeling-based Ohio Valley Steel. She said her company is not seeing much business growth right now, which hinders her ability to hire workers. "The level of construction is down," she said. "I can only keep so many people at levels like this." Storch said the company now has 26 employees, noting the optimal number should be in the range of 35 with a few more out in the field as ironworkers. "There are some out-of-area companies opening up sub-offices around here," she said. "These offices are hiring some employees, but they are mostly just taking local workers from one job to another job. These are employment shifts, rather than unemployed people getting jobs." "I am not seeing the private sector spending money like it usually does," Storch added.

## 2nc russia

### A2 russia advnsm

#### No Russia adventurism – can’t and won’t happen

Doug Bandow 8-13-2012, Senior Fellow at the Cato Institute “How NATO Expansion Makes America Less Safe” http://www.forbes.com/sites/dougbandow/2012/08/13/how-nato-expansion-makes-america-less-safe/

With the end of the Cold War the justification for NATO disappeared. The Soviet Union split, the Warsaw Pact dissolved, the global communist menace vanished. There no longer was any there there, as Gertrude Stein said of Oakland. President Putin is no friend of liberty, but he evidences no design—and possesses no capability—to recreate a global empire. Under him Russia has reverted to a pre-World War I great power, focused on winning respect and protecting its borders. A Russian invasion of Eastern Europe, let alone the core western members of NATO, is but a paranoid fantasy. Anyway, the Europeans are able to defend themselves. Today the European Union has ten times the GDP and three times the population of Russia. Despite their ongoing economic crises, EU members together still spend far more than Moscow on the military. There is no prospect of Russia dominating Eurasia.

#### Russian economic collapse causes global nuclear war and turns case

Steven David, January/February 1999;Professor of International Relations and Associate Dean of Academic Affairs at the Johns Hopkins University, FOREIGN AFFAIRS, **,** http://www.foreignaffairs.org/19990101faessay955/steven-r-david/saving-america-from-the-coming-civilwars.html

If internal war does strike Russia, economic deterioration will be a prime cause. From 1989 to the present, the GDP has fallen by 50 percent. In a society where, ten years ago, unemployment scarcely existed, it reached 9.5 percent in 1997 with many economists declaring the true figure to be much higher. Twenty-two percent of Russians live below the official poverty line (earning less than $ 70 a month). Modern Russia can neither collect taxes (it gathers only half the revenue it is due) nor significantly cut spending. Reformers tout privatization as the country's cure-all, but in a land without well-defined property rights or contract law and where subsidies remain a way of life, the prospects for transition to an American-style capitalist economy look remote at best. As the massive devaluation of the ruble and the current political crisis show, Russia's condition is even worse than most analysts feared. If conditions get worse, even the stoic Russian people will soon run out of patience.  A future conflict would quickly draw in Russia's military. In the Soviet days civilian rule kept the powerful armed forces in check. But with the Communist Party out of office, what little civilian control remains relies on an exceedingly fragile foundation -- personal friendships between government leaders and military commanders. Meanwhile, the morale of Russian soldiers has fallen to a dangerous low. Drastic cuts in spending mean inadequate pay, housing, and medical care. A new emphasis on domestic missions has created an ideological split between the old and new guard in the military leadership, increasing the risk that disgruntled generals may enter the political fray and feeding the resentment of soldiers who dislike being used as a national police force. Newly enhanced ties between military units and local authorities pose another danger. Soldiers grow ever more dependent on local governments for housing, food, and wages. Draftees serve closer to home, and new laws have increased local control over the armed forces. Were a conflict to emerge between a regional power and Moscow, it is not at all clear which side the military would support.  Divining the military's allegiance is crucial, however, since the structure of the Russian Federation makes it virtually certain that regional conflicts will continue to erupt. Russia's 89 republics, krais, and oblasts grow ever more independent in a system that does little to keep them together. As the central government finds itself unable to force its will beyond Moscow (if even that far), power devolves to the periphery. With the economy collapsing, republics feel less and less incentive to pay taxes to Moscow when they receive so little in return. Three-quarters of them already have their own constitutions, nearly all of which make some claim to sovereignty. Strong ethnic bonds promoted by shortsighted Soviet policies may motivate non-Russians to secede from the Federation. Chechnya's successful revolt against Russian control inspired similar movements for autonomy and independence throughout the country. If these rebellions spread and Moscow responds with force, civil war is likely.  Should Russia succumb to internal war, the consequences for the United States and Europe will be severe. A major power like Russia -- even though in decline -- does not suffer civil war quietly or alone. An embattled Russian Federation might provoke opportunistic attacks from enemies such as China**.** Massive flows of refugees would pour into central and western Europe. Armed struggles in Russia could easily spill into its neighbors. Damage from the fighting, particularly attacks on nuclear plants, would poison the environment of much of Europe and Asia. Within Russia, the consequences would be even worse. Just as the sheer brutality of the last Russian civil war laid the basis for the privations of Soviet communism, a second civil war might produce another horrific regime.

#### Economic collapse causes nationalist takeover

Monica Friedlander, 2009 “Black Leather Pragmatist,” UC Berkeley College of Letters and Science, Jowitt is Professor Emeritus of Political Science Ken Jowitt, <http://www.ias.berkeley.edu/node/351>)

Instead, quite the opposite may be true, Jowitt cautioned. Far from becoming more democratic, Russia could fall prey to what he described as “rage-filled, anti-Western” forces” who could take power in a crisis. And leadership that comes out of a crisis, he said, is always unpredictable. “The threat to Russian stability today comes from the inside,” Jowitt said. “If the Russian economy collapses … we might be in a situation where we see the appearance of nihilistic ideologies and movements clustered around leaders trying to form an alliance with parts of the Russian military.” The result of such developments, Jowitt concluded, would be a far less palatable alternative to Putin’s rule. “In light of the economic recession and what Russia is today and what it is not, a state mercantilistic Russia led by non-ideological Putin may not be the optimal political outcome for Russia. But in 2009, it’s not at all a bad second-best.”

#### Russian collapse escalates all conflicts

Patrick, Speice 2006 J.D. Candidate 2006, Marshall-Wythe School of Law, College of William and Mary, “NEGLIGENCE AND NUCLEAR NONPROLIFERATION: ELIMINATING THE CURRENT LIABILITY BARRIER TO BILATERAL U.S.-RUSSIAN NONPROLIFERATION ASSISTANCE PROGRAMS,” William & Mary Law Review, Lexis

The potential consequences of the unchecked spread of nuclear knowledge and material to terrorist groups that seek to cause mass destruction in the United States are truly horrifying. A terrorist attack with a nuclear weapon would be devastating in terms of immediate human and economic losses. (49) Moreover, there would be immense political pressure in the United States to discover the perpetrators and retaliate with nuclear weapons, massively increasing the number of casualties and potentially triggering a full-scale nuclear conflict. (50) In addition to the threat posed by terrorists, leakage of nuclear knowledge and material from Russia will reduce the barriers that states with nuclear ambitions face and may trigger widespread proliferation of nuclear weapons. (51) This proliferation will **increase the risk of nuclear attacks** against the United States or its allies by hostile states, (52) as well as increase the likelihood that **regional conflicts will draw in the United States and escalate to the use of nuclear weapons**. (53)

### A2 dutch

#### Prices will stay high enough to sustain regime control – only risk is a major collapse of prices

Mark Adomanis, 5-8-2012; analyst for Forbes, Russia and Oil: A Likely Source of Future Stability <http://www.forbes.com/sites/markadomanis/2012/05/08/russia-and-oil-a-likely-source-of-future-stability/>

The “reference case” is basically the most realistic, middle-of-the-road assessment. It assumes that a lot of conditions that characterize the current oil market, i.e. inconsistent and irregular access to new oil deposits in non-OPEC countries like Russia and OPEC’s interest in sustaining high prices, will remain fundamentally the same. There is also a highly optimistic estimate that sees the real price of oil shrinking to around $60-70 dollars a barrel and staying there through 2035. However there is also a decidedly pessimistic estimate which sees the price of oil rapidly spiking to around $170 dollars and the slowly increasing to $200 over the next two decades. The point is not to predict exactly what oil will cost in 2015, 2020, or 2035: that’s a fool’s errand. The point that I’m trying to make is that one can very easily find eminently mainstream institutions, indeed the EIA is about as mainstream as it gets, which produce forecasts that suggest the Kremlin will, in fact, be able to count on a steadily, if slowly, rising oil price. If the price of oil does, in fact, slowly ratchet up to around $150 a barrel over the next seven or eight years, I would expect that **Putin’s hold on power will remain strong** since the state will have enough resources to **co-opt and/or repress the opposition**. It seems to me that analyses of Russia’s economic future are overly focused on oil’s downside risks. These risks are both real and severe and I fully agree with those who argue that a rapid plunge in the oil price will have extremely deleterious consequences for Putin’s hold on power. But what seems important to me is that the people responsible for forecasting the future price of oil seem decidedly more bullish on its future course. The EIA is not some fringe outlet trying to get people to invest their savings in madcap commodities schemes, it’s a sober, boring, piece of the Federal bureaucracy. It would thus appear that **the most likely outcome** is for an oil price that is not supportive of revolutionary upheaval or economic chaos similar to that which consumed the 1980′s Soviet Union, but a high and slowly rising price that is **broadly supportiv**e of Russia’s current political arrangements.

#### Yes sustainability – spending, demographics, and growth

**Weafer, 1/2/13** – chief strategist at Sberbank Investment Research (Chris, “Russia's consumer boom: debt poses no threat to growth” The Telegraph, <http://www.telegraph.co.uk/sponsored/russianow/opinion/9775636/russia-consumer-boom.html>)

Retail sales in Russia expanded by almost 7pc, year-on-year, through the first half of 2012, fuelled by an 11.3pc gain in real wages and a rise of 2.7pc in real disposable incomes. There has also been a 40pc rise in retail lending by banks and other finance organisations in the past 18 months. The obvious questions are: is this growth sustainable? And are we seeing a bubble effect developing in the retail debt market? The answer to the first question is that while the pace of growth in the retail sector is likely to ease a little, as the base effect grows, conditions are in place to **sustain meaningful growth** for the foreseeable future. Russia’s federal budget spending has moved toward social spending, and the government is also prioritising the boosting of wages in the state-funded sector. In addition, the post-Soviet generation is becoming a bigger part of the workforce, with western spending habits and lifestyle ambitions. Previous demographic concerns have also been resolved as the birth rate increases, people live healthier lives and emigration is reversed. This year, Russia will see a net increase in the population for the first time since the early Nineties, and revised projections predict population growth in the coming decades. In terms of debt expansion, there is no issue here either, for while the pace of growth is very high in absolute terms, it comes from a very low starting point. Russian households are among the least leveraged in the world and, as a legacy of the Soviet era, the country has one of the highest levels of unmortgaged property ownership in the world. So there is plenty of scope for further debt expansion without approaching risk levels.

#### Russia is ahead of the game – already building up insurance against a crash

Mark Adomanis 6-22-2012; analyst for Forbes Is Russia Suffering From Dutch Disease? <http://www.forbes.com/sites/markadomanis/2012/06/22/is-russia-suffering-from-dutch-disease/>

Dutch Disease is basically about natural resources affecting a country’s position in the international economy: its currency becomes too strong which discourages domestic production and encourages imports. This is extremely dangerous for many reasons, but perhaps the most severe is that if the flow of natural resources ever comes to a sudden stop the value of the currency will crash. Normally a country would respond to a weakening of its currency by increasing exports, but in an economy ravaged by Dutch Disease there is little immediate ability to increase exports because the manufacturing sector has become so weak and withered and the country so dependent on imports. Balance will eventually be achieved, a cheaper currency will eventually spur a growth in manufacturing and exports and a decrease in imports, but this nightmare scenario explains why so many countries with significant oil production have “sequestered” most of their earnings either by paying down foreign debts or by creating various types of sovereign wealth funds. Russia, of course, essentially followed the textbook economic playbook from 1999-2005 by using almost all of the increase in oil earnings to pay down its sovereign debt ahead of schedule and to create the “reserve fund” and the “national welfare fund.”

## 2nc oil da

### oil

#### Falling oil prices cause rampant state failure – and each collapse makes the next one more likely

Anita Demkiv May 2012 Graduate student in Global Affairs at Rutgers, “Political Instability in Petrostates: The Myth or Reality of Oil Revenue as Petrostate Stabilizer”, Anita Demkiv, Dissertation submitted Graduate Program in the Division of Global Affairs, May 2012

A proliferation of failed states emerged post-Cold War. In the post-bipolar system, no great power was ready to move in to failing states and prop a state up or provide major support so as to secure another political alliance. Currently, failing and failed states pose extreme challenges for the global community, and no world body, not even the UN, has managed to “resuscitate” these failing states. Put bluntly, any increase in the number of failed or even failing states changes and challenges the existing order of states. How state disintegration progresses is varied. Some states “fix” themselves and political power is restored, and on occasion this occurs when charismatic leaders emerge. Other times extremely weak governments and widespread collapse of institutions means governments are unable to fully restore authority. As in the case of Somalia—the quintessential failed state—reversing state failure there has become an intractable problem that affects the global community. Thus, preempting outright state failure is sometimes viewed through a humanitarian prism, other times through the westernizing notion of building state capacity through institutional legitimacy, democracy and an improving economy. International organizations, other states and NGOs—the global community as a whole, all have significant motivation to forecast and preempt such total state collapse. Political vacuums in states extend beyond domestic calamities, with byproducts such as pirates commandeering ships in international waters, radicalization that breeds transnational terrorism and the exacerbation of international humanitarian crises. Conclusion “Across the globe, oil is invoked as an agent of destiny. Oil will make you rich, oil will make you poor, oil will bring war, oil will deliver peace, oil will shape our world as much as the glaciers did in the Ice Age.”39 Petrostates’ survival, in some cases, is almost entirely predicated on the steady export of oil. The excessive state subsidies that petrostates have incurred to pacify their populations have placed these states in a precarious position whereby they must continue to rely on oil revenues. This dissertation aims to evaluate the propensity of petrostates towards political instability and fragile or failing states status.

#### State failure risks global war

Rotberg 2002 (Robert, Dir. Program on Intrastate Conflict @ Harvard’s JCK School and President of the World Peace Foundation, Foreign Affairs, “Failed States in a World of Terror”, July/August, 81:4, Proquest)

Today's failed states, such as Afghanistan, Sierra Leone, and Somalia, are incapable of projecting power and asserting authority within their own borders, leaving their territories governmentally empty. This outcome is troubling to world order, especially to an international system that demands -- indeed, counts on -- a state's capacity to govern its space. Failed states have come to be feared as "breeding grounds of instability, mass migration, and murder" (in the words of political scientist Stephen Walt), as well as reservoirs and exporters of terror. The existence of these kinds of countries, and the instability that they harbor, not only threatens the lives and livelihoods of their own peoples but endangers world peace.

### Kaz

#### Kazakhstan spills over to broader Central Asian stability

Emmanuel Karagiannisis 11-14-2011; Assistant Professor of Russian and post-Soviet Politics at the University of Macedonia’s Department of Balkan, Slavic and Oriental Studies in Thessaloniki, Greece. He obtained his Ph.D. in Politics from the University of Hull in Great Britain in 2000. He received his B.A in European Community Studies from London South Bank University and an M.A in International Security Studies from the University of Reading. He was a Postdoctoral Fellow at the University of Pennsylvania in 2005 and a Visiting Scholar at Yale’s University Macmillan Center for International and Area Studies in 2008. The Global Dispatches Expert Commentary and Analysis Central Asia: Oil, Gas and Islam http://www.theglobaldispatches.com/articles/central-asia-oil-gas-and-islam-2

In Central Asia, a second generation of leaders will be upon us soon, particularly in Kazakhstan and Uzbekistan, how will this affect regional stability? Uzbekistan and Kazakhstan are two former Soviet republics which, for different reasons, have increasingly attracted international attention in recent years: the former is located at the heart of Central Asia and has the largest Muslim population in the region, whereas the latter possesses sizeable quantities of hydrocarbons. Yet, both countries have been ruled by the same person since the early 1990s An Azeri-like dynastic transition is not the most likely scenario because the would-be successors are females. The change in leadership could resemble a post-Niyazov succession struggle in Turkmenistan: inner-circle intrigues and plots. If the transition is not smooth, then **the whole region could go up in flames.**

#### That risks accidental US-Russia nuclear launch

**Schorr, 1** – analyst with the Insitute for Policy Studies (Ira, The Record, 10/14, lexis)

While these actions helped the nuclear superpowers back away from using weapons of mass destruction at a precarious time, it's sobering to note that the United States and Russia are still courting nuclear disaster. Despite no longer being strategic foes they still maintain thousands of nuclear weapons on hair-trigger alert -- poised for a quick launch. This is a threat that no missile defense system will ever be able to protect us from. This process of keeping nuclear weapons on a hair-trigger means that leaders on both sides have just minutes to assess whether a warning of an attack is real or false. And while the threats we faced during the Cold War came from Soviet strength -- the danger today comes more from Russia's weakness. For example, Russia's troubled economy has led to the profound decay of its early warning satellite system. A fire last May that destroyed a critical facility used to control Russian warning satellites has made things even worse. "Russia has completely lost its space-based early warning capabilities," says Bruce Blair of the Center for Defense Information. "In essence, the country's ability to tell a false alarm from a real warning has been nearly crippled. " False alarms on both sides have already brought us to the brink of nuclear war. What will happen now if there is a war in the volatile neighborhood of Central Asia -- a region that includes nuclear powers India, Pakistan, and Russia? Former Sen. Sam Nunn brought the point home in a recent speech: "The events of Sept. 11 gave President Bush very little time to make a very difficult decision -- whether to give orders to shoot down a commercial jetliner filled with passengers. Our current nuclear posture in the United States and Russia could provide even less time for each president to decide on a nuclear launch that could destroy our nations. " Nunn called on Presidents Bush and Putin to "stand-down" their nuclear forces to "reduce toward zero the risk of accidental launch or miscalculation and provide increased launch decision time for each president. " In the spirit of the courageous steps his father took to decrease the nuclear threat 10 years ago, President Bush should take action now to remove nuclear weapons from hair-trigger alert. This would send a signal to the world that in this volatile time, the U.S. is serious about preventing the use of nuclear weapons.

#### And it causes fast conventional and nuclear prolif – escalates

**Ahrari 2001** (M. Ehsan, Prof. of National Security and Strategy of the Joint and Combined Warfighting School @ the Armed Forces Staff College, August, "Jihadi Groups, Nuclear Pakistan and the New Great Game," http://www.911investigations.net/IMG/pdf/doc-49.pdf)

South and Central Asia constitute a part of the world where a well-designed American strategy might help avoid crises or catastrophe. The U.S. military would provide only one component of such a strategy, and a secondary one at that, but has an important role to play through engagement activities and regional confidence-building. Insecurity has led the states of the region to seek weapons of mass destruction, missiles, and conventional arms. It has also led them toward policies which undercut the security of their neighbors. If such activities continue, the result could be increased terrorism, humanitarian disasters, continued low-level conflict and potentially even major regional **war or a thermonuclear exchange**. A shift away from this pattern could allow the states of the region to become solid economic and political partners for the United States, thus representing a gain for all concerned.

### Dollar heg

#### And dollar reserve status change would cause instant economic collapse

Robert Looney, November 2003. Professor of National Security Affairs at the Naval Postgraduate School. “From Petrodollars to Petroeuros: Are the Dollar's Days as an International Reserve Currency Drawing to an End?” Strategic Insights, 2.11, <http://www.ccc.nps.navy.mil/si/nov03/middleEast.asp>.

Otherwise, the effect of an OPEC switch to the euro would be that oil-consuming nations would have to flush dollars out of their (central bank) reserve funds and replace these with euros. The dollar would crash anywhere from 20-40% in value and the consequences would be those one could expect from any currency collapse and massive inflation (think Argentina currency crisis, for example). You'd have foreign funds stream out of the U.S. stock markets and dollar denominated assets, there'd surely be a run on the banks much like the 1930s, the current account deficit would become unserviceable, the budget deficit would go into default, and so on. Your basic 3rd world economic crisis scenario. "The United States economy is intimately tied to the dollar's role as reserve currency. This doesn't mean that the U.S. couldn't function otherwise, but that the transition would have to be gradual to avoid such dislocations (and the ultimate result of this would probably be the U.S. and the E.U. switching roles in the global economy)."

#### High oil prices key to dollar status – ensures leverage against a currency switch

Oliver Blanchard, 1-31-2008. The Class of 1941 Professor of Economics, is a former MIT economics department head. “Economist sees US better withstanding high oil prices - Peak oil,” Cherry Creek News, <http://www.thecherrycreeknews.com/content/view/2359/2/>.

Q: Are there any macroeconomic benefits to higher oil prices? A: Higher oil prices have many complex implications for the world economy. Let me just take one, which may seem paradoxical: The increase in the price of oil helps finance the U.S. current account deficit. The reason is that **oil producers know that oil revenues will not last forever, so they save a good part of those revenues**. Not having great investment opportunities at home, they are eager to lend outside their country, and, in particular, to lend to the U.S. Such willing creditors allow the U.S. to continue to borrow abroad and to run a large current account deficit. Were it not for oil-producing countries, the demand for U.S. assets would be smaller, and the dollar would be even weaker than it is today. Q: What if oil-producing countries suddenly took their money out? A: The dollar would plunge. But so would the value of their dollar investment, so they are very unlikely to use this tool/threat.

### A2 iran

#### Dependence prevents Iran prolif – leverage over future extraction is the biggest bargaining chip

Roger Howard, 11-29-2008; Roger Howard is a writer and broadcaster on international relations. His books include Iran in Crisis? (Zed, 2004), What’s Wrong with Liberal Interventionism (Social Affairs Unit, 2006) and Iran Oil: The New Middle East Challenge to America (IB Tauris, 2006). He has written widely for newspapers and journals ranging from the Daily Mail and Daily Express to the National Interest and the RUSI Journal. “An Ode to Oil” http://online.wsj.com/article/SB122791647562165587.html

The United States has powerful political leverage over producers because it holds the key to future oil supply as well as market demand. The age of "easy oil" is over, and as fears grow that oil is becoming harder to get, so too will the dependency of producers on increasingly sophisticated Western technology and expertise. Such skills will be particularly important in two key areas of oil production. One is finding and extracting offshore deposits, like the massive reserves reckoned to be under the Caspian and Arctic seas, or in Brazil's recently discovered Tupi field. The other is prolonging the lifespan of declining wells through enhanced "tertiary" recovery. Because Western companies have a clear technological edge over their global competitors in these hugely demanding areas, Washington exerts some powerful political leverage over exporters, many of whom openly anticipate the moment when their production peaks before gradually starting to decline. Syria illustrates how this leverage can work. Although oil has been the primary source of national income for more than 40 years, production has recently waned dramatically: Output is now nearly half of the peak it reached in the mid-1990s, when a daily output of 600,000 barrels made up 60% of gross domestic product, and can barely sustain rapidly growing domestic demand fueled by a very high rate of population growth. With enough foreign investment Syrian oil could be much more productive and enduring, but Washington has sent foreign companies, as well as American firms, a tough message to steer well clear. It is not surprising, then, that the Damascus regime regards a rapprochement with the U.S. as a political lifeline and in recent months has shown signs of a new willingness to compromise. The same predicament confronted Libya's Col. Moammar Gadhafi, who first offered to surrender weapons of mass destruction during secret negotiations with U.S. officials in May 1999. Facing a deepening economic crisis that he could not resolve without increasing the production of his main export, oil, Col. Gadhafi was prepared to bow to Washington's demands and eventually struck a path-breaking accord in December 2003. Col. Gadhafi had been the "Mad Dog" of the Reagan years, but oil's influence had initiated what President Bush hailed as "the process of rejoining the community of nations." Oil could also help the outside world frustrate the nuclear ambitions of Iran, whose output is likely to steadily decline over the coming years unless it has access to the latest Western technology. Many wells are aging rapidly and the Iranians cannot improve recovery rates, or exploit their new discoveries, unless Washington lifts sanctions, which have been highly successful in deterring international investment**.**

## 1nr asia pivot

### Asia Pivot

#### Retrenchment kills the perception that the pivot is durable – tanks deterrence cred

Paul Eckert 6-15-2012; analyst for Reuters, Analysis: Obama's Asia "pivot" advances, but obstacles await <http://www.reuters.com/article/2012/06/15/us-usa-pacific-pivot-idUSBRE85E1B420120615>

"The U.S. becoming involved has fired up the Philippines and Vietnam to contest things more strongly," said Sam Bateman, a retired senior Australian naval officer and maritime security researcher at Singapore's Nanyang Technological University. Washington's intentions aside, U.S. political gridlock, fiscal deficits and slow economic growth compared to China raise doubts in the region about American staying power. "The United States needs lots of partners because its own capabilities are in a sense in relative decline," said McKinley from the Australian National University.

#### Aggression won’t escalate

-red lines solve

-all actors are rational and wouldn’t fight

-if it’s true it would escalate now that’s a reason war wouldn’t happen

-their ev is premised on hawkish rhetoric from , experts unanimously conclude neg

-intervening actors prevent escalation through dialogue

**Sieg 9/23** – writer for Reuters

(Linda, “Japan, China military conflict seen unlikely despite strain”, <http://www.reuters.com/article/2012/09/23/us-china-japan-confrontation-idUSBRE88M0F220120923>, dml)

(Reuters) - Hawkish Chinese commentators have urged Beijing to prepare for military conflict with Japan as tensions mount over disputed islands in the East China Sea, but most experts say chances the Asian rivals will decide to go to war are slim.

A bigger risk is the possibility that an unintended maritime clash results in deaths and boosts pressure for retaliation, but even then Tokyo and Beijing are expected to seek to manage the row before it becomes a full-blown military confrontation.

"That's the real risk - a maritime incident leading to a loss of life. If a Japanese or Chinese were killed, there would be a huge outpouring of nationalist sentiment," said Linda Jakobson, director of the East Asia Program at the Lowy Institute for International Policy in Sydney.

"But I still cannot seriously imagine it would lead to an attack on the other country. I do think rational minds would prevail," she said, adding economic retaliation was more likely.

A feud over the lonely islets in the East China Sea flared this month after Japan's government bought three of the islands from a private owner, triggering violent protests in China and threatening business between Asia's two biggest economies.

Adding to the tensions, China sent more than 10 government patrol vessels to waters near the islands, known as the Diaoyu in China and the Senkaku in Japan, while Japan beefed up its Coast Guard patrols. Chinese media said 1,000 fishing boats have set sail for the area, although none has been sighted close by.

Despite the diplomatic standoff and rising nationalist sentiment in China especially, experts agree neither Beijing nor Tokyo would intentionally escalate to a military confrontation what is already the worst crisis in bilateral ties in decades.

U.S. PRESSURE

"The chances of a military conflict are very, very slim because neither side wants to go down that path," said former People's Liberation Army officer, Xu Guangyu, now a senior consultant at a government-run think tank in Beijing.

Pressure from the United States, which repeated last week that the disputed isles were covered by a 1960 treaty obliging Washington to come to Japan's aid if it were attacked, is also working to restrain both sides, security experts said.

"I very seriously do not think any of the involved parties - Japan, China and including the United States because of its defense treaty (with Japan) - want to see a military conflict over this dispute," said the Lowy Institute's Jakobson.

"They don't want to risk it, they don't seek it and they do not intend to let it happen."

Still, the possibility of a clash at sea remains.

While the presence of the Chinese surveillance ships - none of which is a naval vessel - and Japan Coast Guard ships in the area might appear to set the stage for trouble, military experts said each side would try to steer clear of the other.

"The bad news is that China sent ships to the area. The good news is that they are official ships controlled by the government," said Narushige Michishita at the National Graduate Institute for Policy Studies in Tokyo.

"This is good news because they are not likely to engage in aggressive action because that would really exacerbate the situation and turn it into a major crisis," said Michishita.

The Chinese ships, he said, had another mission besides asserting China's claims to the islands and nearby waters.

"My guess is that some (Chinese) official patrol boats are there to watch out for fishing boats ... to stop them from making problems," Michishita said.

FISHING BOATS WILD CARD

Military specialists say the Chinese patrol vessels are well disciplined as are the Japan Coast Guard ships, while the two sides have grown accustomed to communicating.

"Both sides are ready, but both sides are very well under control," said a former senior Japanese military official.

What worries observers most is the risk that a boat carrying Chinese fishermen slips through or activists try to land, sparking clashes with Japan's Coast Guard that result in deaths - news of which would spread like wildfire on the Internet.

In 1996, a Hong Kong activist drowned in the nearby waters.

Diplomatic and economic relations chilled sharply in 2010 after Japan arrested a Chinese trawler captain whose boat collided with a Japan Coast Guard vessel. This time, tensions are already high and China is contending with a tricky once-in-a-decade leadership change while Japan's ruling party faces a probable drubbing in an election expected in months.

"Two rational governments of major countries would not intentionally decide to enter into a major war with each other over a few uninhabited rocks," said Denny Roy, an Asia security expert at the East-West Center in Hawaii.

"But unfortunately, you can arrive at war in ways other than that - through unintended escalation, in which both countries start out at a much lower level, but each of them think that they must respond to perceived provocation by the other side, both very strongly pushed into it by domestic pressure. That seems to be where we are now and it is difficult to see how countries can get out of that negative spiral."

Others, however, were more confident that an unplanned clash could be kept from escalating into military conflict.

"That's not really a major possibility, because there are still broad channels of communication between the two sides, and they would help prevent that happening. Both sides could still talk to each other," said former senior PLA officer Xu.

"Even before anything happened, you would also have the U.N Secretary General and others stepping in to ensure that the situation does not get out of control."

#### No Asia arms race

**Feng 10**, professor at the Peking University International Studies.10 [Zhu, “An Emerging Trend in East Asia: Military Budget Increases and Their Impact”, <http://www.fpif.org/articles/an_emerging_trend_in_east_asia?utm_source=feed>]

As such, the surge of defense expenditures in East Asia does not add up to an arms race. No country in East Asia wants to see a new geopolitical divide and spiraling tensions in the region. The growing defense expenditures powerfully illuminate the deepening of a regional “security dilemma,” whereby the “defensive” actions taken by one country are perceived as “offensive” by another country, which in turn takes its own “defensive” actions that the first country deems “offensive.” As long as the region doesn’t split into rival blocs, however, **an arms race will not ensue.** What is happening in East Asia is the extension of what Robert Hartfiel and Brian Job call “competitive arms processes.” The history of the cold war is telling in this regard. Arm races occur between great-power rivals only if the rivalry is doomed to intensify. The perceived tensions in the region do not automatically translate into consistent and lasting increases in military spending. Even declared budget increases are reversible. Taiwan’s defense budget for fiscal year 2010, for instance, will fall 9 percent. This is a convincing case of how domestic constraints can reverse a government decision to increase the defense budget. Australia’s twenty-year plan to increase the defense budget could change with a domestic economic contraction or if a new party comes to power. China’s two-digit increase in its military budget might vanish one day if the type of regime changes or the high rate of economic growth slows. Without a geopolitical split or a significant great-power rivalry, military budget increases will not likely evolve into “arms races.” The security dilemma alone is not a leading variable in determining the curve of military expenditures. Nor will trends in weapon development and procurement inevitably induce “risk-taking” behavior. Given the stability of the regional security architecture—the combination of U.S.-centered alliance politics and regional, cooperation-based security networking—any power shift in East Asia will hardly upset the overall status quo. China’s military modernization, its determination to “prepare for the worst and hope for the best,” hasn’t yet led to a regional response in military budget increases. In contrast, countries in the region continue to emphasize political and economic engagement with China, though “balancing China” strategies can be found in almost every corner of the region as part of an overall balance-of-power logic. In the last few years, China has taken big strides toward building up asymmetric war capabilities against Taiwan. Beijing also holds to the formula of a peaceful solution of the Taiwan issue except in the case of the island’s de jure declaration of independence. Despite its nascent capability of power projection, China shows no sign that it would coerce Taiwan or become militarily assertive over contentious territorial claims ranging from the Senkaku Islands to the Spratly Islands to the India-China border dispute.

#### Gyroscope argument—relations will never be strong enough to solve their impact, but they also won’t be confrontational enough to cause it

Harry **Harding 11**, founding dean of the School of Leadership and Public Policy at the University of Virginia, “Are China and the U.S. on a collision course?”, June 14, http://thinkingaboutasia.blogspot.com/2011/06/are-china-and-us-on-collision-course.html

In my judgment, it is highly unlikely for the relationship between the US and China to be primarily cooperative, at least in the short to medium term. The differences in values, political systems, interests, levels of development, and perceptions of the existing international order are simply too great for the two countries to find common ground on all issues, or even to find a mutually agreeable allocation of costs and benefits when they try to pursue common interests. Only a common interest that was massively compelling – say a widespread pandemic, another financial crisis, a global outbreak of terrorist activity targeted at both countries, or increasingly severe consequences of climate change – might produce a predominantly cooperative relationship. Fortunately, an essentially confrontational relationship is also unlikely, especially if one is primarily concerned with the risks of military conflict. The high degree of economic interdependence between the two countries has already created a relatively resilient relationship. The cost of military conflict, especially given the fact that both China and the US are nuclear powers, will be a significant deterrent against military conflict. Equally important, the probability of the most worrying of the trigger events identified above– a unilateral declaration of independence by Taiwan – is presently quite low, as is the risk that China would try to compel unification through the use of force.

#### Predictive evidence—resilience and interdependence will increase

**Dongxiao, 12** (CHEN Dongxiao: Vice President of SIIS, and Ph.D. in Law received from the Department of International Politics of Fudan University. Jan. 5, 2012. “China-US Relations in 2012: Caution Ahead,” http://chinausfocus.com/slider/no-reason-for-chagrin-over-china-us-relations-but-cautious-management-needed-in-2012/, Callahan)

Three driving forces have contributed to the improvement in US-China relations in 2011: mutual commitment, multi-function mechanisms, and increasing interdependence. Beijing and Washington both stressed their commitment to building a cooperative partnership based on mutual respect and mutual benefit following a rocky year of bilateral relations in 2010. Both sides have stressed that the relationship between China and the United States should be cooperative and mutually beneficial rather than zero-sum, and that the two sides should stand together in the face of difficulty and carry out cooperation on an equal footing. The mutual commitment between China and the US has been bolstered by an increasing number of bilateral mechanisms with policy communication, coordination, and implementation functions (“C2I”). 2011 has seen of the growth of “C2I” mechanisms intensify. with a number of new initiatives, including High-level Consultation on People-to-People Exchanges, the US-China Governors Forum, and the Strategic Security Dialogue and Asia-Pacific Affairs Consultation under the framework of Strategic and Economic Dialogue (S&ED). While the former two initiatives have either reflected thriving interaction in cross-cultural domains or tapped the huge potential of sub-national cooperation across the Pacific, the latter two mechanisms have greatly upgraded capacity to address difficult and sensitive military and security issues in bilateral relations n and build confidence in US-China relations. The **60 plus bilateral mechanisms**, plus frequent exchanges of informal visits and workshops between senior officials have built an impressive level of institutionalization in US-China bilateral relations that has enhanced the predictability of relations between the two countries and helped consolidate the foundation of the relations. The substance of the bilateral relationship, in essence, is not to follow the two presidents’ agreements in words, but to follow the roadmap in action, and those bilateral mechanisms have built significant capacity to do this. Thirdly and perhaps most fundamentally, **the growing interdependence** across the Pacific and emerging agenda of global governance has served as the “ballast” in the bilateral relationship. Despite numerous trade disputes between the two countries, economic interdependence has been steadily enhanced, manifested either by the hike of bilateral trade and investment volume, symbiotic financial relations, or the economic restructuring now underway in both countries. **This interdependence has transcended economics,** and is growing increasingly comprehensive in nature.

## 1nr politics

### Hagel

#### Turns econ

**Mandelbaum 2005** – Professor and Director of the American Foreign Policy Program at Johns Hopkins – 2005

[Michael, The Case for Goliath: How America Acts As the World’s Government in the Twenty-First Century, p. 224]

At best, an American withdrawal would bring with it some of the political anxiety typical during the Cold War and a measure of the economic uncertainty that characterized the years before World War II. At worst, the retreat of American power could lead to a repetition of the great global economic failure and the bloody international conflicts the world experienced in the 1930s and 1940s. Indeed, the potential for economic calamity and wartime destruction is greater at the outset of the new century than it was in the first half of the preceding one because of the greater extent of international economic interdependence and the higher levels of prosperity—there is more to lose now than there was then—and because of the presence, in large numbers, of nuclear weapons.

#### Solves impact to Russia adventurism – contains and de-escalates conflicts

#### Military resource scarcity causes nuclear war

**Wooldridge 2009** – political writer and former lecturer at Cornell University (Frosty, “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.

### UQ

#### Hagel will be confirmed now – but political hiccups can derail the vote despite Schumer momentum

Aaron Blake (writer for the Washington Post) January 15, 2013 “Hagel's path to confirmation clears, but hearings loom” ProQuest¶ Sen. Charles Schumer's (D-N.Y.) decision to support Chuck Hagel's nomination for Secretary of Defense means the job is now Hagel's for the taking -- provided he can avoid a major screw-up at his confirmation hearings.¶ Schumer's announcement Tuesday that he intended to support Hagel's nomination -- after some initial hesitation -- signals that Senate Democrats will likely be united in support of President Obama's nominee to head the Pentagon.¶ Schumer, as we've written before, was the most important Democrat in this whole process, given his pro-Israel record and his stature as a party leader. And his support means Hagel has cleared a major hurdle, with other Democrats now likely to feel more comfortable supporting him.¶ Republicans acknowledged after Schumer's announcement that they would have to be almost completely united in their opposition if they want to take Hagel down.¶ But that becomes much harder without some Democrats joining in opposition.¶ Democrats have 55 votes in the Senate, which means that with a unified caucus they would need to pick off just five Republicans to overcome a filibuster. That seems pretty doable even in a chamber in which Hagel has alienated many of his former GOP colleagues.¶ From here, all of this depends very much on how the confirmation hearings go. Even Schumer seemed to temper his support for Hagel a little by saying he is "currently prepared" to vote for him.¶ "While the Senate confirmation process must be allowed to run its course, it is my hope that Senator Hagel's thorough explanations will remove any lingering controversy regarding his nomination," Schumer said.¶ We don't mean to say that Schumer isn't on-board, just that hearings matter and Hagel will need to be on his game. And other Democrats, including Sens. Richard Blumenthal (D-Conn.) and Kirsten Gillibrand (D-N.Y.), have expressed significant concerns about Hagel, so he hasn't locked down all Democrats just yet.¶ But it seems only a matter of time before these Democrats join Schumer in support, and at this point, the GOP base isn't overwhelmingly anti-Hagel. About the only thing that could change either of those is a major hiccup at his confirmation hearings.

#### Support for confirmation growing now

The Frontrunner January 25, 2013 “More Democrats Throw Support Behind Hagel” Lexis

The AP (1/25, Cassata) reports that Democratic support for former Sen. Chuck Hagel's nomination for Secretary of Defense "grew on Thursday as the former Republican senator allayed concerns about his past statements on Israel and Iran. Sens. Frank Lautenberg of New Jersey, Joe Manchin of West Virginia, Chris Coons of Delaware and Jeanne Shaheen of New Hampshire said they met with Hagel this week and were reassured by his commitment to Israel's security." The AP adds that six Republicans "have said they would vote against Hagel, with some stating their opposition before Obama announced his pick on Jan. 7.

### Link

#### Removing restrictions on oil drilling is a loss for Obama – hurts his AE platform

Global Insight, 11 (Global Insight – Worlds Market Research, US President Announces Measures to Boost Domestic Oil Production in Response to Mounting Pressure, May 16 2011, Lexis) AC

US president Barack Obama has announced several measures to boost domestic oil production in light of increasing pressure from record gasoline (petrol) prices, which are dampening an already soft economic recovery in the United States. The news comes as a Democratic president who is beginning to campaign for his 2012 re-election has been cornered by fervid Republican demands for increased domestic oil and gas production following the Macondo interruption. As a first, immediate measure, the Obama administration is granting explorers affected by last year's Gulf of Mexico (GOM) moratorium and its implications a one-year lease extension, which will also apply to certain leases in Alaska. Moreover, Obama announced that lease sales for the National Petroleum Reserve (NPR) in Alaska would commence this year. He further aims to speed up environmental assessment procedures for the mid- and South Atlantic as well as open up new areas in the GOM for drilling. Strategic Campaign Move or Republican Victory in Disguise? The news marks a significant diversion from the US administration's long-term goal of reducing oil demand by supporting alternative energy. Rather the newly announced plans will increase supply, catering to Republican demands for more drilling. Indeed, President Obama had announced plans to open up parts of the Atlantic as well as new areas in the GOM and Alaska for oil and gas exploration just three days before the fatal Macondo well blow-out that idled the industry for about nine months. However, this offer was initially intended in exchange for Republican support for comprehensive climate change legislation, which has since failed in Congress. Now, Obama's overture must be seen rather in light of the mounting pressure that high gasoline prices are putting on a fragile US economic recovery and hence on the president's chances of re-election next year. Hence, this is a Republican victory, not a Democratic one. The Macondo incident and the 2008/09 financial crisis have inadvertently helped Republicans in the US not only to push through lease sales in previously inaccessible areas, but also to avoid climate change legislation on the back of public concern over ever-increasing energy costs.

#### Offshore drilling empirically angers environmentalists and the Democratic base

Drennen 10 Kyle is a writer at NewsBuster. “CBS 'Early Show' Hits Obama From Left on Offshore Drilling,” April 1, http://newsbusters.org/?q=blogs/kyle-drennen/2010/04/01/cbs-early-show-hits-obama-left-offshore-drilling

Introducing a segment on Thursday's CBS Early Show about President Obama's decision to open up some new areas to offshore oil drilling, fill-in co-host Jeff Glor warned that some of Obama's "closest allies are especially unhappy." In a report that followed, White House correspondent Bill Plante noted "Environmental groups are disappointed." ¶ However, Plante also touted the idea that the move could help pass unpopular cap and trade legislation, a long-held liberal goal: "Many in Washington see this as a strategy to win Republican support for a climate bill aimed at slowing global warming." He later concluded: "The conventional political wisdom is that this is not the time to have another rancorous nasty debate, like the one over health care, on a climate change bill. But the betting here is that the President's energy policy may make it easier to have that debate." ¶ At the top of the show, co-host Maggie Rodriguez proclaimed: "President Obama's controversial offshore drilling proposal is making big waves. Critics say the risks are obvious, but not the rewards." In a discussion with CBS political analyst John Dickerson after Plante's report, she did little to hide her displeasure with the proposal: "Let's establish right off the bat that this will not---not even remotely free us from our dependence on foreign oil." Dickerson agreed: "You're exactly right." ¶ At the same time, Rodriguez wondered why Republicans were not on board with the decision: "You would think that Republicans, the 'Drill, Baby, Drill' crowd, would be ecstatic over this. This is something they want. Why didn't they seem too overwhelmed?" Dickerson explained: "this is not a drill everywhere plan, it's quite limited, and that's why their support for him has been limited." Rodriguez replied: "Still, it's still a step in their direction, a step to the Right." ¶ Rodriguez then fretted if that supposed "step to the Right" would hurt Obama with the Left: "Is he doing that at the risk of alienating his Democratic base?" Dickerson shared her concern: "You're right, it is a step to the Right and the Democratic base and progressives are angry with him. Some of the Democratic senators were quite fulsome in their denunciation of this plan."

#### Environmental groups oppose any plans for new drilling – they’ll fight in Congress.

Kovner 12 (Guy Kovner – Staff Writer for the Press Democrat, “Reference to oil drilling in Obama's speech worries local environmentalists”, Press Democrat, January 25 2012, <http://www.pressdemocrat.com/article/20120125/ARTICLES/120129672>) AC

Jan. 25--Environmentalists scrambled Wednesday to determine if President Obama's reference to offshore oil drilling in his State of the Union speech posed a new prospect for oil rigs along the North Coast.¶ It didn't, but activists said the reference underscores the need to achieve permanent protection from oil and gas drilling for the rugged coast that supports the region's fishing and tourism industries.¶ "Our coast has become a political football -- and we are in overtime," said Richard Charter of Bodega Bay, a veteran anti-drilling advocate.¶ Obama's statement that he will open "more than 75 percent of our potential offshore oil and gas resources" essentially affirmed the Department of Interior's five-year oil and gas leasing program announced in November.¶ The plan calls for 15 potential lease sales in 2012-17 period, 12 in the Gulf of Mexico and three off the coast of Alaska.¶ The Pacific Coast was not included, the plan said, in deference to a 2006 agreement by the governors of California, Oregon and Washington opposing energy development off their coasts.¶ But after 2017, "all bets are off for California," said Charter, a senior fellow with The Ocean Foundation, a nonprofit environmental group.¶ The oil industry, in an effort to rebound from the gulf oil spill of 2010, has mounted an aggressive promotional campaign featuring posters on Washington, D.C. subway cars and on television, Charter said.¶ A bill by Rep. Lynn Woolsey's, D-Petaluma, to double the size of two marine sanctuaries would permanently ban drilling off the Sonoma coast and up to Point Arena in Mendocino County.¶ "It's my highest priority," said Woolsey, who is retiring this year. "It just has to happen."¶ Woolsey said she was surprised by Obama's comment, and said it amplifies the Interior Department's plan.

#### Keeping democrats in line is key

Scott Wong and Manu Raju (writers for Politico) January 6, 2013 “Chuck Hagel takes fire from Capitol Hill” http://www.politico.com/story/2013/01/chuck-hagel-takes-fire-from-capitol-hill-85805.html?hp=t1

Hagel will have an easier time winning confirmation if all Senate Democrats unite to support him. Democrats expanded their majority by two seats in the November election, and hold a 55-to-45 advantage over Republicans. In that scenario, the White House would need just five Republican votes to defeat a GOP filibuster and confirm him. And it would be rare for Republicans to reject the president’s pick for defense secretary — especially a Republican — just a month after voters handed him a second term. Plus, there are a number of Republicans who are quick to give deference to a president to choose members of his own Cabinet.

### AT: Dem Support Inev

#### Left and right anti-Hagel forces are ramping up now – opposition isn’t backing down without a fight

Josh Rogin (writer for Foreign Policy) January 25, 2013 “Anti-Hagel grassroots campaigns come from right and left” http://thecable.foreignpolicy.com/posts/2013/01/25/anti\_hagel\_grassroots\_campaigns\_come\_from\_right\_and\_left

Groups on the right and the left of the political world are mounting new and aggressive campaigns to try to exert pressure on senators from both parties to oppose the nomination for Chuck Hagel to become the next secretary of defense.¶ Hagel's confirmation hearing before the Senate Armed Services Committee is scheduled for Jan. 31, and the conventional wisdom holds that his chances for confirmation were largely secured when Sen. Chuck Schumer (D-NY), endorsed the nomination after meeting with Hagel last week. Schumer said Hagel had "convinced me that he had changed his views," on subjects like the influence of the "Jewish lobby," and Schumer said Hagel "satisfied my concerns," but "I'll be watching him like an eagle."¶ Sen. Kirsten Gillibrand (D-NY) eventually followed suit 10 days later and announced her support for the Hagel nomination Thursday. Hagel continues to meet with senators from both sides of the aisle. He met with Sen. John McCain (R-AZ) this week as well, although McCain has not decided yet whethr to support the nomination.¶ But a host of groups that oppose Hagel's ascendancy, some from the right and some from the left, are not backing down. In addition to the usual suspects, like the Emergency Committee for Israel, multiple new anti-Hagel grassroots campaigns are ramping up their well-funded activities, focusing on Democratic senators who are up for reelection in 2014, senators from states that have large defense industries, and senators from states with large LGBT communities.¶ "We live in a dangerous world," begins a new television ad that started running last week in several states. "But Barack Obama's nominee for secretary of defense wants America to back down. An end to our nuclear program. Devastating defense cuts. A weaker country. Call [your senator] and tell [them] to say no to Chuck Hagel -- before it's too late."¶ The ad was produced by the group Americans for a Strong Defense, which didn't exist until this month. The group is registered as a non-partisan 501c4 non-profit organization, but is led by Danny Diaz, former communications director for the Republican National Committee, and Brian Hook, former senior advisor to Tim Pawlenty and then Mitt Romney.¶ The group's spokesman Ryan Williams told The Cable the ad is just the beginning of a larger campaign. Right now, the ads are being tailored to target specific senators: Mark Pryor (D-AR), Mary Landrieu (D-LA), Mark Begich (D-AK), Michael Bennet (D-CO), Mark Udall (D-CO, and Kay Hagan (D-NC). But that list is set to expand.¶ "The states we are targeting have senators who have not yet made a commitment either way on the Hagel nomination," said Williams. "We're going to be mobilizing grassroots efforts in a number of states. We might expand based on how the nomination process progresses."¶ ASD is arguing that Hagel's views are out of the mainstream on issues like Iran, Israel, and Cuba. They are also targeting states with big defense-industry constituencies, making the argument that Hagel supports budget cuts that could hit home in military communities.¶ Williams said that the group also plans to deploy teams to each of the target states to do direct outreach to voters and encourage them to contact their senators in opposition to the Hagel nomination. They are also taking out ads in Capitol Hill newspapers and are planning a national TV ad as well.¶ "We think once people learn more about Hagel's out of the mainstream views and troubling record, there will be a ground swell of opposition to his nomination and senators will get that message loud and clear and take that into account," Williams said.¶ Meanwhile, another anti-Hagel campaign is ramping up, this time from the left, attacking Hagel for his previous anti-gay comments.¶ "From the left, there's a lot of consternation about the Hagel nomination," said Bradley Tusk, former campaign manager for New York Mayor Michael Bloomberg and founder of Tusk Strategies, which is helping coordinate the campaign. "A lot of people worked hard to reelect the president, believe in the president, and don't feel like they raised money and knocked on doors to then have him nominate a defense secretary who is clearly is anti-gay and anti-choice. I think what you hear a lot from the progressive community is: Couldn't he find someone who is just as qualified on defense issues who doesn't have these other views that we find abhorrent?"¶ "You also hear, if you've got to choose someone from the other party in a nod towards bipartisanship, why choose someone who clearly has issues with their own party?" he said. "Where's the logic of picking a Republican who doesn't seem to get along with Republicans."¶ A number of LGBT supporters and donors have come together to initiative a "seven-figure campaign" from the left, he said, that will include TV ads on CNN, NBC, and to run during Meet the Press on Sunday. The campaign also includes phone calls and direct voter outreach, a Twitter campaign, and outreach to the LGBT community. The donors are "mostly Democrats, prominent New Yorkers who care about LGBT issues," Tusk said, but are undisclosed, as are the donors for the anti-Hagel campaigns coming from the right.¶ This campaign is targeting Democratic senators including Robert Menendez (D-NJ), Frank Lautenberg (D-NJ), Richard Blumenthal (D-CT), Bob Casey (D-PA), Max Baucus (D-MT), Ben Cardin (D-MD), Tammy Baldwin (D-WI), and Hagan.¶ The LGBT campaign claims to have already connected several thousands of calls to senators and plans to ramp up its activity leading up to next week's hearing and beyond. Tusk said that the fact that so many Democratic senators have not yet come out in support of Hagel, despite the Schumer endorsement, tells them that the nomination fight is not over.¶ "For all the Democratic senators, it was a clear moment to support Hagel and they chose not to do so. That clearly shows that everything we are doing is having an impact," he said. "This isn't what Democrats voted for and we can do better."

### 2NC - A2 Hagel = No Policy Influence

#### He determines success of Obama’s defense and foreign policy decisions

Juliette Kayyem (Writer for The Boston Globe) January 19, 2013 “The Hagel policy myth” Lexis

In response, allies of the former Republican senator from Nebraska have now settled on an alternative myth, almost as removed from reality as the ones being promoted by neocons. Their argument, reiterated on the airwaves and in newspapers, is clearly part of the approved talking points by those in the Obama admin-istration who want to placate any substantive concerns by members of both parties: The secretary of defense, Hagel's defenders assert, does not set foreign policy. But have we learned nothing? Of course he does.¶ Any president has a number of tools in the realm of international relations. They include soldiers, diplomats, spies, and lawyers. As Obama faces unknown challenges in the years ahead, the relative capability of each tool - military power, international cooperation, covert operations, or legal proceedings - will drive his foreign policy options as much as the ideological course set by the White House.¶ The decisions ahead for Hagel are all about foreign policy. Military readiness is the animating concern in figuring out how to right-size the military budget and cut expensive weapons contracts. There were discussions last week, during Afghan President Hamid Karzai's visit, about how large a US force should remain in Afghanistan after next year; the answer depends on the ability of the military to stop the Taliban without an in-country presence. The question of what to do about Iran's nuclear program will not be decided in some locked situation room, but by the Pentagon's assessment of the chances that an air strike would significantly delay Iran's nuclear ambitions. The possibility of intervention in Syria will be ruled in or out based on Pentagon predictions about how it would be able to handle the strength of Bashar Assad's military and the disarray among the rebels.¶ As a political strategy to get Hagel confirmed, this "he doesn't mean much in policy terms, so let him through" message might work. But it is a complete fallacy.¶ While the president is the foreign-policy "decider," there's more to the story. First, there are all sorts of decisions that never reach the president himself. To have confidence in that process, presumably, the president appoints people like Hagel who represent his agenda.¶ More significantly, the president's decisions are made from a range of choices that are provided to him by the defense secretary, as well as other advisers. The question for a president isn't just what he might want as a policy matter, but what the agencies can deliver, given their own legal, regulatory, and operational capabilities. A Pentagon chief who promised that war would be "shock and awe" was as much responsible for the decision to invade Iraq as the policy advocates in the White House.¶ The decision to portray the defense secretary as limited in power and scope is a concession to a confirmation process that is all but broken. Not too long ago, it was the Democrats who were scoffing, as John Roberts, in his confirmation hearings, implied that the chief justice doesn't influence the philosophical direction of the Supreme Court. To quell concerns about judicial activism, he maintained that judges are mere "umpires" who don't make the rules, but only "apply them."¶ The idea that high-level officials, like Roberts or Hagel, merely administer rules set forth by others is a fiction. The secretary of defense has an incredibly powerful position. Indeed, it was the triumph of Defense Secretary Donald Rumsfeld's ideology over other alternatives that led to the mess Obama inherited four years ago. Hagel, presumably, has a different approach to matching operational capacity with policy decisions. That is why Obama picked him in the first place.

#### Hagel is key to give Obama political cover to implement his military agenda

Bill Keller (writer and former executive editor of the New York Times) January 21, 2013 “Chuck Hagel's War” Lexis

Hagel's wartime service, which earned him awards for valor and two purple hearts, was unquestionably honorable. No doubt he has a deeper awareness than most people that wars are messy, which is not without value. His tour as an infantry squad leader, even more than his Republican Party card, provides useful political cover for a president who favors a less interventionist foreign policy and a smaller defense budget. But the notion that experience of war imparts a special wisdom is one of our enduring fallacies.

### AT: Hagel Not Key

#### Obama losing over Hagel crushes his perception of resolve abroad

Financial Times December 27, 2012 “Hagel for defence” http://www.ft.com/intl/cms/s/0/ad8eba06-503d-11e2-9b66-00144feab49a.html#axzz2HH2u4ZZI

Yet ever since Mr Hagel emerged as the clear frontrunner, he has come under a barrage of criticism. Sadly, his critics have mostly overlooked his sensible views on the future of the US military and focused on some remarks he made several years ago about the “Jewish lobby”. These comments may have been ill-judged but there is nothing in Mr Hagel’s record on Israel that suggests bias or hostility, still less anti-Semitism. He has shown support for a two-state solution – which Israel also favours – and the necessity for the US to play an even-handed role in fostering it. The whispering campaign against him is obnoxious. By choosing Mr Hagel, Mr Obama would not just make a welcome bipartisan appointment. He would also show some political muscle. While he has not yet nominated Mr Hagel, the White House has floated his name for weeks. Were the US president to prompt Mr Hagel to withdraw his name now, it would signal a big retreat. It would also come just weeks after Susan Rice, US ambassador to the UN, stepped aside in the race for secretary of state despite being the president’s preferred candidate. Two successive withdrawals would send a message at home and abroad that Mr Obama lacks resolve.

#### Makes laundry list of global conflicts inevitable

-China/Taiwan

-Latin America

-North Korea

-Pakistan

-Syria

-India/Pak

-Russia

**Hanson 09** – Senior Fellow in Residence in Classics and Military History @ Hoover Institution, Stanford University [Dr. Victor Davis Hanson, “Change, Weakness, Disaster, Obama: Answers from Victor Davis Hanson,” Interview with the [Oregon Patriots](http://www.resistnet.com/group/oregon), Resistnet.com, December 7, 2009 at 3:52pm, pg. http://www.resistnet.com/group/oregon/forum/topics/change-weakness-disaster-obama/showLastReply.]

BC: Are we currently sending *a message of weakness to our foes and allies*? Can anything good result from President Obama’s marked submissiveness before the world? Dr. Hanson: Obama is one bow and one apology away from a circus. The world can understand a kowtow gaffe to some Saudi royals, but not as part of a deliberate pattern. Ditto the mea culpas. Much of diplomacy **rests on** public **perceptions**, however trivial. We are now in a great waiting game, as regional hegemons, wishing to redraw the existing landscape — whether **China,** **Venezuela, Iran, North Korea, Pakistan, Syria**, etc. — are just **wait**ing to see who’s going to be the first to **try Obama** — and whether Obama really will be as tenuous as they expect. **If he slips***once****, it will be*** 19***79*** ***redux***, when we saw the rise of radical Islam, the Iranian hostage mess, the communist inroads in Central America, the Soviet invasion of Afghanistan, etc. BC: With what country then — **Venezuela, Russia, Iran**, etc. — do you believe his global repositioning will cause **the most damage**? Dr. Hanson: I think all three. I would expect, in the next three years, Iran to get the bomb and begin to threaten ever so insidiously its Gulf neighborhood; Venezuela will probably cook up some scheme to do a punitive border raid into Colombia to apprise South America that U.S. friendship and values are liabilities; and Russia will continue its energy bullying of Eastern Europe, while insidiously pressuring autonomous former republics to get back in line with some sort of new Russian autocratic commonwealth. There’s an outside shot that **North Korea** might do something really stupid near the 38th parallel and China will ratchet up the pressure on Taiwan. **India**’s borders with both Pakistan and China will heat up. I think we got off the back of the tiger and now no one quite knows whom it will bite or when.