# 1NC

### 1NC

#### A --- Interpretation --- restrictions are direct governmental limitations on production

Annamaria Viterbo 12 , Assistant Professor in International Law at the University of Torino, PhD in International Economic Law from Bocconi University and Jean Monnet Fellow at the European University Institute, 2012, International Economic Law and Monetary Measures: Limitations to States' Sovereignty and Dispute, p. 166

In order to distinguish an exchange restriction from a trade measure, the Fund chose not to give relevance to the purposes or the effects of the measure and to adopt, instead, a technical criterion that focuses on the method followed to design said measure.

An interpretation that considered the economic effects and purposes of the measures (taking into account the fact that the measure was introduced for balance of payments reasons or to preserve foreign currency reserves) would have inevitably extended the Fund's jurisdiction to trade restrictions, blurring the boundaries between the IMF and the GATT. The result of such a choice would have been that a quantitative restriction on imports imposed for balance of payments reasons would have fallen within the competence of the Fund.

After lengthy discussions, in 1960 the IMF Executive Board adopted Decision No. 1034-(60/27).46 This Decision clarified that the distinctive feature of a restriction on payments and transfers for current international transactions is "whether it involves a direct governmental limitation on the availability or use of exchange as such\*.47 This is a limitation imposed directly on the use of currency in itself, for all purposes.

#### “On” means in contact with and links “restrictions” only to energy production

Arthur Butler Graham 16, “Brief for Appellants – Wilson v. Dorflinger & Sons”, Court of Appeals, State of New York, Reg. 108, Fol. 387, 1916, p. 11-12

The Standard Dictionary defines the word “on” as follows:¶ “In or into such a position with reference to something, as a vehicle, a table, or a stage, as to be in contact with and supported by it; in a position, state, or condition of adherence; as, he go on before the wagon had fully stopped.”¶ In Webster’s International Dictionary, we find as follows:¶ “on—The General signification of “on” is situation, motivation, motion, or condition with respect to contact or support beneath as (1) at or in contact with, the surface or upper part of a thing, and supported by it; placed or lying in contact with the surface; as, the book lies on the table, which stands on the floor of a house on an island.”¶ It is submitted that an elevator is not operated on streets or on highways, as a car, truck or wagon is operated, and that by the use of the word “on” the Legislature intended to include only those appliances therein enumerated, namely, cars, trucks, and wagons. An elevator is not operated on anything, but is operated in or inside a shaft, and is controlled by guides, which deprive the operator of the power to change the course of the lift from right to left. Clearly the Legislature intended to include in Group 41, only those cars, trucks and wagons whose direction and guidance are controlled by the operator, in whatever direction he may deem advisable.

#### Energy production refers to the extraction, conversion, and distribution of energy

Koplow 4 Doug Koplow is the founder of Earth Track in Cambridge, MA. He has worked on natural resource subsidy issues for 20 years, primarily in the energy sector "Subsidies to Energy Industries" Encyclopedia of Energy Vol 5 2004www.earthtrack.net/files/Energy%20Encyclopedia,%20wv.pdf

3.2 Production

Energy production includes all stages from the point of resource location through distribution to the final consumers. Specific items examined here include resource extraction, resource conversion (including electricity), the various distribution links to bring the energy resource to the point of final use, and accident risks.

#### B --- Violation --- CFIUS doesn’t restrict --- it regulates which companies can produce energy

Douglas William Nigh 98, associate professor of international business at the University of South Carolina, and Douglas P. Woodward, associate professor of economics at the University of South Carolina, Foreign Ownership and the Consequences of Direct Investment in the United States: Beyond Us and Them, 1998, p. 144

How did the U.S. government respond to the influx of FDI that dates from the 1970s? The answer is “favorably,” with only nominal institutional constraints on investment flows. At the federal level, the institution directly responsible for addressing issues relating to FDIUS is the Committee on Foreign Investment in the United States (CFIUS). Created by President Gerald Ford as an oversight body in 1975, CFIUS monitors and regulates FDIUS from the standpoint of protecting national security. It is an interagency body composed of officials from the Departments of State, Commerce, Defense, and Justice, the Office of the United States Trade Representative, the Office of Management and Budget, and the Council of Economic Advisers; it is usually chaired by a Treasury official.

#### C --- Vote neg ---

#### 1 --- Ground --- they avoid links to core disads which are based on increases in energy production --- the US companies are already producing energy --- they just allow foreign firms to acquire those US companies

#### 2 --- Unlimits—allows for affs that repeal a environmental or corporate regulations that have no effect on the amount of energy produced, kills neg ground

#### 3 --- Precision --- restriction is narrower than regulation

US District Court 9—Judge Thomas E. Johnson, US District Court for the Southern District of West Virginia, http://law.justia.com/cases/federal/district-courts/west-virginia/wvsdce/5:2009cv00152/61171/33

9 The fourth prong of the Central Hudson test refers to "regulation" of speech. 447 U.S. at 567. "Regulation" could be construed broadly as applying [\*\*29] a system of laws, including penalties, affecting a particular manner of commercial speech. However, in subsequent cases, the Supreme Court has employed the narrower word, "restriction," in place of "regulation." See, e.g., Bd. of Trs. v. Fox, 492 U.S. 469, 476, 109 S. Ct. 3028, 106 L. Ed. 2d 388 (1989) ("[G]overnment restrictions upon commercial speech may be no more broad or no more expansive than 'necessary' to serve its substantial interests").

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#### The United States Supreme Court should rule Exon-Florio reviews of crude oil and natural gas unconstitutional on the grounds that they violates international law.

#### Courts can effectively rule to invalidate restrictions on all forms of energy production

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 did not revive does not offer a convincing rationale for nonrevival.

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#### Debt ceiling compromise likely now but uniqueness doesn’t overwhelm the link---the impact is economic collapse

Klein 1/2 Ezra is a politics writer for the Washington Post. “The lessons of the fiscal cliff,” 2013, <http://www.washingtonpost.com/blogs/wonkblog/wp/2013/01/02/the-lessons-of-the-fiscal-cliff/?wprss=rss_ezra-klein>

There is a narrative in American politics that goes something like this: The White House can’t negotiate. House Republicans can’t be reasoned with. And so the country is caught between pragmatists who can’t hold their ground and radicals who can’t compromise.¶ The last few days complicate those narratives. The White House didn’t hold firm on their promise to let the Bush tax cuts expire for all income over $250,000. They agreed to a $450,000 threshold instead. But at the same time, they pocketed more than $600 billion in revenue, $30 billion in extended unemployment benefits and five years of stimulus tax credits without giving up any real spending cuts. ¶ Speaker John Boehner, negotiating on behalf of House Republicans, rejected the White House’s offers for a bigger deal that included big spending cuts and watched his “plan B” die on the House floor. But, with the support of many of his members, he ended up shepherding the McConnell-Biden package towards final passage. Republicans realized they couldn’t be blamed for pushing the country over the cliff. ¶ The question of who “won” the fiscal cliff won’t be answered till we know what happens when Congress reaches the debt ceiling. The White House says that there’ll be no negotiations over the debt ceiling, and that if Republicans want further spending cuts, their only chance is to hand over more tax revenue. If they’re right and they do manage to enforce a 1:1 ratio of tax hikes to spending cuts in the next deal, they’re going to look like geniuses.¶ Republicans swear they are crazy enough to push the country into default, and they promise that the White House isn’t strong enough to stand by and let it happen. If they’re right, and the White House agrees to big spending cuts absent significant tax increases in order to avert default, then Republicans will have held taxes far lower than anyone thought possible.¶ But both Republicans and Democrats can’t be right. If we take the lessons of this negotiation, here’s what will happen: The White House will negotiate over the debt ceiling. They’ll say they’re not negotiating over the debt ceiling, and in the end, they may well refuse to be held hostage over the debt ceiling, but the debt ceiling will be part of the pressure Republicans use to force the next deal. The White House fears default, and in the end, they always negotiate.¶ That said, the Republicans aren’t quite as crazy as they’d like the Democrats to believe. They were scared to take the country over the fiscal cliff. They’re going to be terrified to force the country into default, as the economic consequences would be calamitous. They know they need to offer the White House a deal that the White House can actually take — or at least a deal that, if the White House doesn’t take it, doesn’t lead to Republicans shouldering the blame for crashing the global economy. That deal will have to include taxes, though the tax increases could come through reform rather than higher rates.¶ The Republicans also have a problem the White House doesn’t: The public broadly believes they’re less reasonable and willing to negotiate than the Democrats are. The White House has a reputation for, if anything, being too quick to fold. They have more room to avoid blame for a default than the Republicans do. In the end, if the White House holds its ground, Republicans will likely compromise — though only after the White House has done quite a bit of compromising, too. ¶ The final moments of the fiscal cliff offered evidence that both sides see how this is going to go. In his remarks tonight, President Obama signaled he would hold firm on the debt ceiling. “While I will negotiate over many things, I will not have another debate with this Congress over whether or not they should pay the bills they’ve already racked up through the laws they have passed,” he said. And Boehner signaled that he knows tax reform will have to be part of the next deal. The post-deal press release his office sent out had the headline, “2013 Must Be About Cutting Spending and Reforming the Tax Code.” That said, the final days of the fiscal cliff, in which the deal almost broke apart a half-dozen times for a hal-dozen reasons, is a reminder that these tense, deadline negotiations can easily go awry. And so there’s a third possibility, too: That the White House is wrong about the Republicans will compromise, that the Republicans are wrong that the White House will fold, and so we really will breach the debt ceiling, unleashing economic havoc.

#### It’s top of the docket, PC is key, and it’s Obama’s sole focus

John Feehery 1-2, President of Communications and Director of Government Affairs for Quinn Gillespie and Associates, 1/2/13, “The Clock,” <http://www.thefeeherytheory.com/2013/01/02/the-clock/>

The small tax agreement passed by the House last night makes it harder for Obama to do other things with his time in the White House. ¶ That is the inevitable truth that seems lost on conservatives who opposed a deal to make permanent 98% of the Bush tax cuts. ¶ Mitch McConnell is a master at clock management, and as minority leader, his job is to make it as hard as possible for the President to enact his left-wing agenda. ¶ As I wrote yesterday, McConnell was the master strategist who decided that the Congress would deal first with taxes and then with spending. ¶ Conservative leaders (well, the ones most desperate to raise money attacking Republicans) are professionally apoplectic. They can’t believe that Republicans didn’t get any spending cuts included in this deal, after they torpedoed John Boehner’s plan which included massive spending cuts and popular tax provisions. ¶ But Plan C wasn’t designed to include spending cuts, you blithering idiots. That comes later, in the fight over the debt limit. ¶ The President has already declared that the debt limit is off the table, but of course, we all know that he is posturing**.** Nothing is off the table, and the fact of the matter is that Republicans need to come up with substantial spending cuts if they are to gain the respect of their political base. ¶ After the fight on the debt limit will come a fight on sequester. After the fight on the sequester will come a fight on the 2013 Appropriations bills. ¶ All of these fights will take the time and attention of the President himself. All of these fights will take political capital and energy and promises. By focusing on the budget issues, Republicans make it harder for the President to focus on other things, like immigration and gun control, and whatever crazy left-wing agenda items he might want to add to the list. ¶ Imagine if last night, the grand bargain came together, and Republicans and Democrats cleared up everything in one vote. The President wouldn’t have high-fived the Speaker and said, “my job is done here.” ¶ He would have moved on to gun control. He can’t do that now. Now he has to talk exclusively about the debt limit. He has to burn up political capital on an issue that dove-tails quite nicely with out-of-control spending. ¶ The clock is running out on the Obama White House, and the more time we talk about fiscal issues, the less time he has to get his left-wing agenda through the Congress.

#### Plan empirically causes massive backlash---no supporters

Downs 10 Erica S. Downs is a Fellow at the John L. Thornton China Center at the Brookings Institution. “Who’s Afraid of China’s Oil Companies?” Brookings, http://www.brookings.edu/~/media/research/files/papers/2010/7/china%20oil%20downs/07\_china\_oil\_downs

Who’s afraid of China’s national oil companies? Quite a few people, if the reaction to the unsolicited offer made by China National Offshore Oil Corporation Ltd. (CNOOC Ltd.) for Unocal is any guide. The furor that erupted inside the Beltway in response to CNOOC Ltd.’s bid to break up the merger between Unocal and Chevron highlighted the anxiety that many U.S. policymakers, pundits, and oil companies harbor about the growing global footprint of China’s national oil companies (NOCs). The objections raised by opponents of CNOOC Ltd.’s attempted acquisition are rooted in popular perceptions of the Chinese NOCs’ international expansion. The conventional wisdom views the NOCs as arms of the Chinese government that are aggressively snapping up exploration and production assets around the world to enhance China’s energy security at the expense of that of other consumers. Moreover, it contends that the state ﬁnancial support that Beijing provides to China’s NOCs to achieve this noncommercial objective violates the rules of the game for international mergers and acquisitions because it is not available to Western, publicly traded ﬁrms. Consequently, the Chinese government and oil companies are turning the global competition for oil into a game that major international oil companies (IOC) like Chevron cannot even compete in, let alone win.

#### Sequestration is now tied to the debt ceiling---failure to compromise triggers it

Tsai 1/4 Joyce is a writer for the Stars and Stripes. “Pentagon faces complex battle over new sequestration deadline,” 2013, <http://www.stripes.com/news/pentagon-faces-complex-battle-over-new-sequestration-deadline-1.202832>

WASHINGTON – The last-minute scramble by Congress to avoid the fiscal cliff averted the doomsday scenario of sequestration cuts kicking in this week, but Pentagon officials are fully aware that the war is not over.¶ In fact, they are steeling themselves for a new battle that could be worse. The new March 1 deadline ties sequestration’s automatic, across-the-board cuts of about 10 percent to what could be a more heated fight in Congress on lifting the debt ceiling, which is set to expire at the same time.¶ “The big point is (Congress) didn’t resolve this. They just delayed it,” said Todd Harrison, a defense budget expert at the Center for Strategic and Budgetary Assessments, a Washington think tank. “And by moving the deadline to March 1, and by delaying it and linking it to the debt ceiling, they may increase the odds that sequestration will actually happen.”

Sequestration destroys US global military power---collapses deterrence and triggers multiple scenarios for nuclear war (Iranian adventurism, Hormuz closing, African instability, terrorism, Korean war, Taiwan war, Russian military modernization, Afghanistan instability, naval power)

Hunter 9/30 Duncan is a U.S. Representative from Alaska. “SEQUESTRATION SENDS WRONG MESSAGE TO U.S. FRIENDS AND FOES ALIKE,” 2012, http://www.utsandiego.com/news/2012/sep/30/tp-sequestration-sends-wrong-message-to-us/?page=1#article

Over the next 10 years, because of sequestration, the Pentagon will be forced to absorb $500 billion in budget cuts that will strike at the heart of America’s military. Making this even more dangerous is the fact that the legislation triggering sequestration, the Budget Control Act, also imposed an additional $450 billion in defense budget cuts for a total of nearly $1 trillion of reductions over the next decade. The next 10 years are sure to be no different from the last. In the Middle East, Iran is desperately searching to fill a regional power vacuum and enhance its weapons program**,** while threatening to close the Strait of Hormuz and targeting Israel with unapologetic provocation. Meanwhile, the United States still has an obligation to Iraq. There is a necessity for diplomatic support and engagement, even though the ground combat mission is over. Africa is also experiencing power struggles of its own. The situations in Libya and Egypt are evolving, while Yemen and Somalia are acting as staging grounds for al-Qaeda. There is also the threat of Somali pirates in international waters. Multiple high-profile hostage situations and combat rescues show just how serious of a threat that rogue bands of pirates are to naval and commercial shipping lanes. There is also the threat of North Korea with its aggressive pursuit of advanced aerial weaponry, Russia with its focus on arms modernization, and China with its large-scale and rapid military buildup. China’s display of hostility toward Taiwan — a friend and ally of the United States — also shows no sign of diminishing. With all of this, more than 70,000 American troops are in Afghanistan, facing down a dangerous enemy. For the United States and other nations, interest in Afghanistan and the region will continue long after the last of the coalition ground forces leave and the next phase of the mission begins. Ignoring America’s obligation as a world leader and the patchwork of threats that exist today won’t eliminate the risk posed by an Iran that one day acquires nuclear weapons or a North Korea that eventually acquires effective strike capability. More likely, these and other threats will develop more quickly and efficiently, putting the global interests of the U.S. directly in the cross hairs. Through a robust national defense, the United States has always sent a clear message around the world that American intentions are good and we stand by our allies. The strength of the U.S. military has dissuaded conflict and suggested to adversaries that challenging freedom is a losing proposition. It was this deterrent, in fact, that won the Cold War and turned the U.S. military into the world’s most effective fighting force. Sequestration would change all of this, for the worse.In the words of Defense Secretary Leon Panetta, sequestration is a “nutty formula, and it’s goofy to begin with, and it’s not something, frankly, that anybody responsible ought to put into effect.” He also said sequestration is the equivalent of “shooting ourselves in the head.” Tough words, but Secretary Panetta is right. Sequestration would produce the smallest ground force since 1940, the smallest Navy since 1915 and the smallest tactical fighter force in Air Force history. Ironically, the president’s defense policy shift to the Pacific increases reliance on the Navy, but with the smallest fleet in nearly a century, controlling the oceans and projecting force will become an even more difficult and selective process, requiring prioritization that would create vulnerabilities elsewhere. Resetting America’s armed forces after a decade-plus of combat action is another necessity that cannot be overlooked. There is also a guarantee of pink slips throughout the uniformed services and every industry that directly supports the U.S. military. In San Diego, the military sustains hundreds of thousands of jobs, and billions of dollars in economic productivity. San Diego — even for all of its strategic value — is not immune to job loss and other economic impacts accompanying deep budget cuts. Sequestration is a term Americans should get to know and understand, because it will have real and lasting consequences if left unchecked. The upside is that the risks and dangers can be avoided as long as Congress and the president act in the coming months. The clock is ticking to stave off sequestration — a move that would signal to our friends and enemies alike that we uphold our promises and stand ready to defend our interests against any threat.

### 1NC

#### TEXT:

#### The United States Federal Government should:

#### -mandate that the Committee on Foreign Investment in the United States’ annual report to Congress quantify the number of deals that were approved during the previous year; and

#### -should amend Exon-Florio to define “national security” so as to consider the following factors in reviewing foreign acquisitions as per Carroll

#### Amending Exon-Florio to narrowly define national security solves the case --- it removes “economic security” as a consideration in the CFIUS process --- this accurate reading of their Carroll solvency evidence provides further support:

Carroll 9 23 Emory Int'l L. Rev. 167 COMMENT: BACK TO THE FUTURE: REDEFINING THE FOREIGN INVESTMENT AND NATIONAL SECURITY ACT'S CONCEPTION OF NATIONAL SECURITY, 2009, lexis

Exon-Florio should be amended to more narrowly define national security. The open-ended nature of the current definition has allowed the process to become politicized. Instead, national security should be specifically defined so as to prevent acquisition of industries that are critical to the military aspects of our national defense and that have capacities that are not duplicable by other market entities. The definition should also serve to ensure that export control laws are not circumvented by foreign acquisition of American companies. The following proposed definition would once again focus on preventing foreign governments from gaining unique military capabilities through private transactions that could threaten American national security:¶ National Security shall be defined so as to consider the following factors in reviewing foreign acquisitions:¶ A. Potential effect upon assets essential to the military aspects of national defense, specifically those firms whose contributions to the national defense cannot be easily replaced by another domestic corporation;¶ B. Whether the acquisition poses a substantial risk of espionage or terrorism that can be certified by the relevant United States intelligence agencies;¶ C. Whether the acquisition would pose a unique risk of weapons proliferation of critical military assets that cannot be otherwise dealt with by United States laws, particularly to countries that are not allies of the United States;¶ [\*198] D. Economic security, or any other factor not mentioned in this section, shall not be considered by the CFIUS process. [n222](http://www.lexisnexis.com.turing.library.northwestern.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1348369211723&returnToKey=20_T15589579183&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.217127.34243487497" \l "n222)¶ Such an interpretation of national security would heavily scrutinize acquisition of, or joint ventures with, Lockheed Martin or any other company that makes a large contribution to the defense industrial base. Certain high-tech companies that produce computer chips that give the U.S. armed forces technological advantages over other countries might also fall under this definition. China should not be allowed to acquire a controlling interest in the present-day equivalent of Fairchild Semiconductor.¶ This proposed definition of national security would be even more limited than the original Exon-Florio signed by President Reagan, as Exon-Florio was designed to apply mainly to defense-based technological acquisitions. [n223](http://www.lexisnexis.com.turing.library.northwestern.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1348369211723&returnToKey=20_T15589579183&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.217127.34243487497" \l "n223) The main difference between this definition of national security and the original Exon-Florio legislation is that this definition would codify national security to explicitly prevent protectionist use of the CFIUS for political ends. Any consideration of economic security or protection of energy assets from foreign acquisition would be excluded from this definition, as inclusion of such economic factors can only encourage protectionism and politicization of the CFIUS process. [n224](http://www.lexisnexis.com.turing.library.northwestern.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1348369211723&returnToKey=20_T15589579183&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.217127.34243487497" \l "n224)¶ The narrower definition of national security would eliminate the mandatory reviews of every foreign-government-controlled transaction as required by FINSA. [n225](http://www.lexisnexis.com.turing.library.northwestern.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1348369211723&returnToKey=20_T15589579183&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.217127.34243487497" \l "n225) Instead, the CFIUS would be given flexibility to decide which transactions truly threaten national security, without being bound to review every governmental acquisition. Narrowing the definition of national security in this manner would allow the CFIUS to focus its resources on real national security threats, rather than waste resources analyzing nearly every transaction involving a foreign governmental takeover. [n226](http://www.lexisnexis.com.turing.library.northwestern.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1348369211723&returnToKey=20_T15589579183&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.217127.34243487497" \l "n226)¶ The CFIUS should certainly consider the prospect of terrorism and take every step possible to safeguard against such a risk. In many cases, safeguards such as extra scans on containers should be put in place to minimize the risk of [\*199] terrorism. These safeguards should be applied regardless of whether the ownership is foreign or domestic. [n227](http://www.lexisnexis.com.turing.library.northwestern.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1348369211723&returnToKey=20_T15589579183&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.217127.34243487497" \l "n227) Protectionism cannot replace the Department of Homeland Security when it comes to defending critical infrastructure. [n228](http://www.lexisnexis.com.turing.library.northwestern.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1348369211723&returnToKey=20_T15589579183&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.217127.34243487497" \l "n228) Besides, the terrorists who struck on 9/11 did not own substantial property within the United States. Nor would the CFIUS regulations have stopped the subsequent terrorist incidents, such as Richard Reid's attempted shoe bomb or the anthrax shipments. In fact, there is no evidence that any company has been used as a front for a terrorist plot. [n229](http://www.lexisnexis.com.turing.library.northwestern.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1348369211723&returnToKey=20_T15589579183&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.217127.34243487497" \l "n229)¶ However, transactions should be blocked by the CFIUS on the basis of homeland security only when there is evidence of a clear and present threat of terrorism, or perhaps of espionage or sabotage. If the term "critical infrastructure" must be kept in FINSA, then members of Congress and the CFIUS must do a better job articulating what exactly constitutes critical infrastructure and what they consider the link between foreign ownership of critical infrastructure and threats to national security. [n230](http://www.lexisnexis.com.turing.library.northwestern.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1348369211723&returnToKey=20_T15589579183&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.217127.34243487497" \l "n230) Explicitly laying out such guidelines will illustrate the boundaries to foreign investors and will make CFIUS decisions seem less arbitrary and political. [n231](http://www.lexisnexis.com.turing.library.northwestern.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1348369211723&returnToKey=20_T15589579183&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.217127.34243487497" \l "n231) Additionally, screening employees of foreign corporations that purchase critical infrastructure can often identify potential security vulnerabilities without taking the drastic step of vetoing a transaction. [n232](http://www.lexisnexis.com.turing.library.northwestern.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1348369211723&returnToKey=20_T15589579183&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.217127.34243487497" \l "n232)¶ Limiting the Exon-Florio definition of national security only to military threats may seem odd and reactionary in the post-9/11 world, where unconventional threats abound. However, counter-terrorism requires appropriate tools, and regulating foreign direct investment simply falls short of being a cost-effective method of ensuring homeland security. [n233](http://www.lexisnexis.com.turing.library.northwestern.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1348369211723&returnToKey=20_T15589579183&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.217127.34243487497" \l "n233) Focusing on the nationality of a company's ownership in a globalized world only distracts us from real security threats posed by non-state actors. [n234](http://www.lexisnexis.com.turing.library.northwestern.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1348369211723&returnToKey=20_T15589579183&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.217127.34243487497" \l "n234) Many terrorist threats do not exist as a result of primary support from any nation, but rather as tactics in service of an ideology. [n235](http://www.lexisnexis.com.turing.library.northwestern.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1348369211723&returnToKey=20_T15589579183&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.217127.34243487497" \l "n235) As Jose Padilla, John Walker Lindh, and [\*200] many others have illustrated, no one ethnic group has a monopoly on Al-Qaeda membership or support. Instead of penalizing investments from various Arab states simply because terrorists draw support from that region, homeland security policy should focus on thwarting the terrorists themselves. The CFIUS must return to a focus on state military capabilities because the terrorist threats are from non-state actors, and restricting economic investment from certain nations does not, per se, deal with the threat of terrorism. Just because terrorism is a serious threat does not mean that the CFIUS is the best tool to protect critical infrastructure.¶ In conclusion, 9/11 did radically change the world, and Exon-Florio should change to fit the new realities of homeland security. However, the most effective reform of Exon-Florio is not expansion of the definition of national security to include economic protectionism, but rather a narrowing of the definition to guard against real threats to American security while encouraging beneficial foreign investment. The security challenges of the twenty-first century cannot be met by protectionism. Only by embracing globalization and cooperation can the United States truly achieve national security.

#### The aff goes too far by excluding any oil and gas deals from CFIUS reviews --- this is precisely the situation Carroll wants to avoid: a Chinese state-owned company could try to buy companies that supply energy to the U.S. military and the US would have no capacity to even review such a deal – much less block it

#### This obviously harms national security since Chinese companies can freely buy-up US oil companies --- fuels their aggressive expansionism --- and it’s politically unpopular

Alex Newman 12, “Communist China Lobbying to Take Over U.S. Oil, Lawmakers Still Concerned,” NewAmerican, 8-7-12, http://www.thenewamerican.com/economy/sectors/item/12364-communist-china-lobbying-to-take-over-us-oil-lawmakers-still-concerned

Top American lawmakers on both sides of the aisle are expressing serious concerns about a bid by the communist dictatorship ruling mainland China to purchase Canadian energy firm Nexen and its vast U.S. oil and natural gas holdings. The deal by the Chinese regime, acting through its state-owned front company China National Offshore Oil Corporation (CNOOC), also represents a potential national security risk, warned Republican and Democrat members of Congress.¶ Canadian lawmakers have also questioned the plan, asking for a public review before the controversial deal is allowed to go through. Critics point out that CNOOC is not a “company” in the traditional sense — it is an organ of one of the most brutal and repressive regimes in the world. The communist regime and its front company, however, are fighting back hard against the opposition, dropping big money on lobbying and propaganda efforts — they call it “public relations” — in both countries. ¶ In 2005, CNOOC’s bid to purchase California-based Unocal for almost $20 billion was withdrawn after a bipartisan wave of outrage. But that was then. Analysts suspect the Chinese dictatorship may have learned from its past experience, taking slow steps and making the potential success of its latest takeover attempt far more likely.¶ "It's partly the valuation, partly an evolution of the Chinese mindset. You couldn't do this deal a year after Unocal," a source familiar with the deal told Reuters. "They had to have made the smaller steps in the meantime that made everyone comfortable that they knew how to behave responsibly, operate effectively, treat employees well."¶ If approved by authorities in the United States and Canada, the $15-billion Nexen takeover would mark the first time that the communist Chinese dictatorship would be operating U.S. leases in the Gulf of Mexico. However, it would be in line with the brutal regime’s recent pattern of expansion in various American markets.¶ Consider that just in recent months, for example, China purchased its first U.S. bank and the second-largest cinema chain in the country. That trend is expected to continue picking up steam as the dictatorship, flush with dollars and U.S. debt, becomes more aggressive in gobbling up international assets.¶ But despite CNOOC stepping up its efforts to buy influence on Capitol Hill by enlisting major lobbying and “public relations” firms for the proposed Nexen purchase, a few American lawmakers are putting up at least some tepid resistance. A coalition including members of the House and Senate from both parties have already asked for a review by U.S. regulators. ¶ “I have serious national security concerns with the Chinese government, acting through one of its corporations, purchasing a company that will give it control over significant U.S. oil and gas resources,” Senator James Inhofe (R-Okla.) told MarketWatch on August 6, becoming the latest lawmaker to express misgivings about the plan. “This combined with China’s closed economy, its prohibition on direct, full investment in Chinese business operations by U.S. firms, and its blatant disregard to U.S. intellectual property rights make this transaction even more concerning.”¶ Lawmakers are asking for a proper review of the deal by the Committee on Foreign Investment in the U.S. (CFIUS), an official inter-agency body charged with investigating the national-security implications of major deals before signing off on them. And the committee chair, Treasury Secretary Timothy Geithner, has already started receiving requests from Capitol Hill about the Nexen scheme. ¶ In a letter sent last month, Sen. Chuck Schumer (D-N.Y.) actually asked Geithner to “withhold approval of this transaction until China's government has made tangible, enforceable commitments to ensure U.S. companies reciprocal treatment.” Apparently he wants the Chinese dictatorship to be more open to foreign investment, which currently faces severe restrictions imposed by the regime.¶ “I believe approval of the CNOOC-Nexen transaction should be a test of these reciprocal commitments, and that concrete progress must be made by both sides simultaneously,” Senator Schumer said in the letter. He also told reporters that it was time for America to play “hard ball” with the Chinese dictatorship.¶ In the House, Congressman Edward Markey (D-Mass.), the top Democrat on the House Natural Resources Committee, also expressed serious concerns about the proposed deal. “I believe this merger could lead to a massive transfer of wealth from the American people to the Chinese government, and I strongly urge you to block this proposed transaction until, at a minimum, parties to the merger agree to pay royalties to the U.S. taxpayer on all oil produced off American shores or relinquish any ownership interests in these leases,” he wrote in a recent letter to Geithner.¶ Markey also slammed the U.S. government policy of allowing some oil extraction on certain leases in the Gulf of Mexico without the firms having to pay royalties. Nexen apparently controls at least two such sites, allowing it to extract unlimited amounts oil and natural gas without offering the U.S. government any fees. If the Chinese dictatorship took over the firm, the benefits of those resources would then go straight to China without offering American taxpayers any compensation.¶ “Giving valuable American resources away to wealthy multi-national corporations is wasteful,” Rep. Markey noted in the letter. “But giving valuable American resources away to a foreign government is far worse: it has the potential to directly undermine American economic and national security.”¶ From the GOP, Inhofe said he still supports the idea of putting the Defense Department — as opposed to the Treasury — in charge of CFIUS. Because the inter-agency committee deals mostly with national-security risks, the Oklahoma lawmaker said DOD was the “appropriate agency” to handle most security-related issues on deals.¶ Meanwhile, Senator John Hoeven (R-N.D.) is also raising alarm bells about the controversial Chinese takeover. He said he “very definitely” has concerns and that the deal should be looked at “carefully” before moving forward.¶ “Do we really want to be buying our oil, or Canadian oil, back from the Chinese?” he wondered during a press conference unveiling a bill to approve the Keystone pipeline and expand access to U.S. oil. “If we don’t take action to develop our resources and work with our closest friend and ally, Canada, that is exactly what is going to happen.” Nexen is also involved in developing the Canadian oil sands.¶ A spokesman for the Chinese regime’s oil behemoth was quoted as saying that CNOOC is “respectful of the regulatory requirements across all the respective jurisdictions.” The brutal dictatorship’s front company also seeks to “comply with all of the regulatory and governmental processes and procedures and to cooperate with all relevant regulatory authorities,” he added.¶ Canadian regulators will also review the potential deal, which would be the Chinese regime’s largest-ever takeover of a foreign energy company. Analysts cited in news reports from Canada predicted that the scheme would be approved and that the communist dictatorship would be pursuing even bigger deals in the not-too-distant future. But some Canadian lawmakers urged caution.¶ “The size and scope of this transaction raises important questions and Canadians deserve the opportunity to seek clarity on the commitments that CNOOC is making on protecting jobs, contributing to the community and consulting affected First Nations,” the opposition New Democrats party said in a public statement seeking hearings. “We ask that you convene meetings of each Standing Committee at the earliest possible convenience to engage in a full and comprehensive study of the proposed acquisition of Nexen Inc by CNOOC, and of the broader policy issues raised by this case.”¶ Experts say that the barbaric communist dictatorship — Beijing persecutes Christians, enforces its “one child” policy with forced abortions, operates slave-labor camps, harvests organs from political prisoners, considers the U.S. Constitution's Second Amendment to be a "violation" of "human rights," and more — is only just getting started on its global shopping spree. Africa and Latin America have long been the targets. Increasingly, however, it appears that assets in Canada and the United States are now solidly in the regime’s cross hairs — and will remain there as long as policymakers refuse to resist.

## Iran

### 1NC --- Political Backlash Turn

#### CFIUS reviews encourage Chinese energy companies to prudently negotiate the American political climate to avoid backlash

WSJ 12 --- China Foothold in U.S. Energy, 3-6-12, http://webcache.googleusercontent.com/search?q=cache:qnxJVCUg4KgJ:online.wsj.com/article/SB10001424052970204883304577223083067806776.html+&cd=2&hl=en&ct=clnk&gl=us&client=firefox-a

China's new approach to investing in U.S. energy companies suggests it has learned lessons about how to make the industry and American politicians more comfortable with Chinese money. "Buy a portion of that company, work together with that company, and that company is your strongest ally in the U.S.," says S. Ming Sung, a former executive at Royal Dutch Shell PLC who has advised Sinopec and is now an adviser to several organizations that promote clean energy.¶ Sinopec's Mr. Fu, who declined to comment for this article, has been China's most visible proponent of the new approach. Born in China's remote northern Heilongjiang province, the 60-year-old executive earned a master's degree in petroleum engineering in 1986 from the University of Southern California, where he now serves on the board of trustees. Like other leaders of major state-run companies, he is a senior member of the Communist Party.¶ Those who know him say his technical and operational knowledge of the oil industry is considerable. "He built his foundation in engineering," said Iraj Ershaghi, a professor of petroleum engineering at USC who taught Mr. Fu in the 1980s.¶ Mr. Fu joined Cnooc when the state-owned company was set up in 1982, and held senior positions in its joint ventures with foreign companies such as Shell and the former Phillips Petroleum, now part of ConocoPhillips .¶ By 2005, China's oil consumption was surging, and Chinese companies of all sorts were beginning to explore major acquisitions abroad.¶ Mr. Fu, by then Cnooc's chairman, began negotiating directly with Unocal's then Chief Executive Charles Williamson to buy the El Segundo, Calif.-based company for $18.5 billion. News of the offer brought criticism from U.S. lawmakers, who argued the deal would put crucial U.S. energy resources in Chinese hands. U.S. lawmakers passed a resolution asking the Bush administration to review any Unocal-Cnooc deal. ¶ Mr. Fu spoke out publicly in defense of the deal—an unusual move for the leader of a state-controlled company. In an opinion piece in The Wall Street Journal titled "Why is America Worried?", he argued that most of Unocal's reserves were outside the U.S. anyway, and that Cnooc would preserve American jobs and "will be an open and responsible participant in the process."¶ Nevertheless, members of the Committee for Foreign Investment in the U.S., an interagency body chaired by the Treasury Department, indicated they would recommend that President George W. Bush block the deal, say people briefed by members. The Treasury Department declined to comment, saying it doesn't talk publicly about specific cases reviewed by the committee.¶ After lawmakers passed language in a bill that would delay a deal, Mr. Fu pulled the offer. Cnooc blamed "unprecedented political opposition." Unocal subsequently was bought by Chevron for $17.3 billion.¶ In a 2006 interview with the Journal, Mr. Fu said that Cnooc "learned we need to be more prudent in terms of public relations and political lobbying when dealing with such a big deal.We now understand American politics better."¶ In the wake of the busted deal, Chinese energy firms shied away from North America. State-owned oil companies began striking energy deals elsewhere in the world, such as in Nigeria and Yemen, which gave it access to significant reserves.¶ Meanwhile, back in North America, new techniques were being developed to extract oil and natural gas from shale formations deep underground, from tar sands in Canada, and from deep water in the Gulf of Mexico. Chesapeake and its competitors were rushing to buy drilling rights to U.S. shale fields.¶ Such projects require vastly more capital to drill than conventional reservoirs. A single shale well can cost more than $9 million, U.S. companies say. But the global financial crisis was constricting capital for these expensive projects, so energy companies began looking for new sources of funding.¶ In 2009, China National Petroleum Corp., or PetroChina, bought 60% stakes in two oil-sands projects from a Canadian operator for about $1.9 billion. The following year, Sinopec committed $4.65 billion for a 9% stake in Alberta's Syncrude oil-sands project, one of Canada's biggest energy projects. Last summer, Cnooc agreed to pay $2.1 billion for OPTI Canada Inc., a producer that held a minority stake in a large oil-sands project. There was little political opposition in Canada.¶ Cnooc tiptoed back into the U.S. in 2009 with a small deal to provide development funding and receive a minority stake in some of Statoil ASA's Gulf of Mexico leases.¶ Oklahoma City-based Chesapeake began looking to Asia as a source of capital, says Mr. McClendon, the CEO. In 2010 it sold preferred shares to a unit of Singapore's Temasek Holdings Ltd. and Hopu Investment Management Co., a China-focused private-equity firm. Other investors with ties to the governments of South Korea and China followed with similar investments in Chesapeake.¶ The deals gave Chesapeake "the Good Housekeeping stamp of approval in Asia," says Mr. McClendon. Encouraged, Chesapeake approached Chinese oil companies, and Mr. McClendon developed a rapport with Mr. Fu, who he describes as "comfortable with Americans." Mr. McClendon says Cnooc executives were openly saying: "Since 2005, we haven't had a strategy to invest in the U.S., and we think now is the time to do it."¶ In 2010, Cnooc agreed to pay Chesapeake $1.08 billion for a one-third stake in 600,000 acres in the oil-rich Eagle Ford Shale formation in south Texas, and to spend another $1.08 billion on drilling there. The two executives struck a similar deal, worth nearly $1.3 billion, for stakes in Wyoming and Colorado fields.¶ Messrs. McClendon and Fu were intent on avoiding the kind of political opposition Cnooc faced five years earlier in its ill-fated bid for Unocal. The deals were structured so that Cnooc didn't get an ownership stake in Chesapeake itself and didn't control production.¶ "They didn't come over here and try to buy Chesapeake," Mr. McClendon says. "They came over here to buy a minority, nonoperating interest in an asset and not take the oil and gas home."

#### Failure to effectively negotiate the political climate means Congress and the public will backlash regardless of CFIUS --- scuttles deals --- empirically proven

MATTHEW R. BYRNE 6, J.D., The Ohio State University Moritz College of Law, expected 2007, Protecting National Security and Promoting Foreign Investment: Maintaining the Exon-Florio Balance, OHIO STATE LAW JOURNAL, 2006, http://moritzlaw.osu.edu/students/groups/oslj/files/2012/04/67.4.byrne\_.pdf

CNOOC’s attempt to acquire Unocal occurred in the summer of 2005. After a much-publicized bidding and public relations war for control of Unocal between CNOOC and another major U.S. oil company, Chevron, Inc., CNOOC’s bid was ultimately defeated by political pressure applied by the United States Congress.8 Many members of Congress had publicly and forcefully expressed grave reservations about the possible national security repercussions if China’s state-owned company gained control of Unocal’s oil reserves.9 This debate led to discussion of not only national security, but also economic security.10 Even though CFIUS never initiated a review of the CNOOC transaction, let alone gave the transaction its approval, numerous members of Congress who feared that the Committee would not block the transaction began to suggest that changes to the Exon-Florio statute were in order as a means to address these concerns.11¶ This debate over changes to Exon-Florio resumed in early 2006, when DPW attempted to purchase Peninsular and Oriental Steam Navigation Co. (“P&O”), a British firm, in a $6.8 billion deal.12 With the acquisition of P&O, the Dubai-based company would have acquired operational control of certain terminals at six U.S. ports.13 The revelation that CFIUS had approved the deal set off a firestorm of criticism on Capitol Hill as members and leaders of both political parties in Congress denounced the merger.14 Though DPW and the Bush Administration agreed to conduct an additional fortyfive- day investigation under the CFIUS statute, the House Appropriations Committee voted 62–2 to effectively block the transaction, and under intense political pressure DPW agreed to transfer its U.S. ports interests to an American buyer.15 In the midst of the ports controversy, legislation was proposed in Congress not only to block the deal, but also to make substantial changes to the Exon-Florio statute in an attempt to strengthen the CFIUS review process.16 As of the time this Note goes to publication, committees in both the House and Senate have approved legislation that would modify the Exon-Florio statute.17 The full bodies have not yet approved these bills, their significant differences have not been reconciled in a conference committee, and the President has not signed a bill. Therefore, these bills’ proposed changes to the statute are still mere possibilities, not certainties.

### Defense

#### No impact---Iranian prolif will be stabilizing

Robert D. Kaplan 11 is a national correspondent for The Atlantic and a senior fellow at the Center for a New American Security, AND Stephen S. Kaplan is a research associate in the Brookings Institution, “America Primed” Feb 23 http://nationalinterest.org/article/america-primed-4892

Moreover, a nuclear-armed Iran is not a worst-case scenario. Tehran would have a few uncertain weapons, though perhaps with a confident missile arsenal of various ranges, and an early-warning system the United States and Israel could penetrate at will, even as they would bear down on Iran with all the might of their own, far-vaster nuclear arsenals. In addition, a nuclear Islamic Republic would further weaken the influence of Egypt and Saudi Arabia, and force them to rely on Israel and the United States for deterrence, even as they might develop their own nuclear arsenals as a response.

An Egypt and a Saudi Arabia forced to rely implicitly more on Israel for deterrence against Iran are more likely to put pressure on the West Bank Palestinians to conclude a peace deal with the Jewish state (though, it must be said, prospects for Middle East peace are slim under almost any circumstance). As much as liberal internationalists and neoconservatives rightly trumpet the broad benefits of democracy during this unprecedented time of democratic upheaval, it has been only Arab autocrats who have thus far come to an accord with Israel. Autocrats can act boldly, even as they can efficiently purge dissenting members of their own circles who disagree with new policies, exactly as Egypt’s President Anwar el-Sadat and Jordan’s King Hussein did in making peace with Israel. Palestinian President Mahmoud Abbas’s ability to act likewise is questionable.

Indeed, the ascent of Iranian influence is not an altogether bad development. It was lethargic Sunni Arab dictatorships, nominally pro-American, whose societies supplied the social and political conditions for the emergence of the 9/11 terrorists. The toppling of Saddam Hussein, and the consequent rise of Shia Iran as a regional power, has finally shocked sclerotic Arab leaders into actions that benefit U.S. interests: moving a bit nearer to Israel and working more closely with America. An Iranian Shia power that balances against a Sunni Arab world, democratic or not, would be an ideal outcome were Iran to go through a whole or even partial political transformation. Shia power in the future will not necessarily speak with one voice, given the prospect of ongoing tensions between Tehran and Baghdad. For even a weak Shia state in Iraq will offer a political and theological alternative to the Islamic Republic. (This is not to justify the costs of invading Iraq, only to mention the few benefits that have emerged from the effort.) And Turkey, whose Islamic democracy makes the United States uncomfortable, still has an appeal to the Arab masses on the basis of religion rather than ethnicity which serves a useful purpose: it implicitly checks Iran.

A divided Middle East, coupled with an Arab world weakened by domestic strife, has much to recommend itself for the future of American power. And demographic, cultural and other indicators point to a positive ideological and philosophical shift in Iranian politics in the future. This prognosis, coupled with the difficulties inherent in a wholly successful U.S. strike on Iran’s nuclear facilities, leads to the containment of a nuclear Iran—should sanctions and industrial sabotage not work in the long run—as the least-bad option, and the one least likely to embroil the United States even deeper in the Middle East.

#### No Iranian nukes

Glaser 11—Assistant Editor at Antiwar.com. Worked at The American Conservative magazine and CATO. (John, No Evidence of Iranian Weapons Program, Despite Rhetoric, 31 May 2011, http://www.antiwar.com/blog/2011/05/31/no-evidence-of-iranian-weapons-program-despite-rhetoric/)

Glaser, May 31, 2011

Seymour Hersh reports in the latest issue of The New Yorker that “despite years of covert operations inside Iran, extensive satellite imagery, and the recruitment of Iranian intelligence assets, the United States and its allies, including Israel, have been unable to find irrefutable evidence of an ongoing hidden nuclear-weapons program in Iran.” The piece is not available for free yet, but you can find an abstract here. I’ve read it in its entirety.

Hersh cites an update of the 2007 National Intelligence Estimate which concluded that Iran had halted its nuclear weapons program in 2003 and added, “We do not know whether it currently intends to develop nuclear weapons.” Hersh:

A government consultant who has read the highly classified 2011 N.I.E. update depicted the report as reinforcing the essential conclusion of the 2007 paper: Iran halted weaponization in 2003. “There’s more evidence to support that assessment,” the consultant told me.

The views of the I.A.E.A. are more suspicious, but despite some disputes between the agency and Iran, a very tight surveillance has been kept on Iran through the agency, complete with frequent inspections and 24-hour video surveillance inside nuclear facilities.

Despite obedient media lapdogs trying to refute Hersh’s report, claims of a current weapons program or of an intention to begin one remain unsubstantiated. “The guys working on this are good analysts,” Hersh was told by an intelligence analyst, “and their bosses are backing them up.” Hawkish cries to the contrary are understandable, as a Defense Intelligence Agency analyst told Hersh, they knew the 2011 update to the N.I.E would be politically explosive: “If Iran is not a nuclear threat, the Israelis have no reason to threaten imminent military action.” This is an unwelcome potentiality in Washington.

Here is an interesting excerpt regarding intelligence efforts to determine the nature of Iran’s nuclear activities:

The N.I.E makes clear that U.S. intelligence has been unable to find decisive evidence that Iran has been moving enriched uranium to an underground weapon-making center. In the past six years, soldiers from the Joint Special Operations Force, working with Iranian intelligence assets, put in place cutting-edge surveillance techniques, according to two former intelligence officers. Street signs were surreptitiously removed in heavily populated areas of Tehran – say, near a university suspected of conducting nuclear enrichment – and replaced with similar-looking sings implanted with radiation sensors. American operatives, working undercover, also removed bricks from a building or two in central Tehran that they thought housed nuclear enrichment activities and replaced them with bricks embedded with radiation-monitoring devices.

High-powered sensors disguised as stones were spread randomly along roadways in a mountainous area where a suspected underground weapon site was under construction. The stones were capable of transmitting electronic data on the weight of the vehicles going in and out of the site; a truck going in light and coming out heavy could be hauling dirt – crucial evidence of evacuation work. There is also constant satellite coverage of major suspect areas in Iran and some American analysts were assigned the difficult task of examining footage in the hope of finding air vents – signs, perhaps, of an underground facility in lightly populated areas.

The administration and Congress have systematically mischaracterized what U.S. intelligence knows about Iran’s nuclear program, consistently claiming a current weaponization program is underway or that an intention to conduct one is essentially confirmed.

Hersh’s report also talks about the possibility that the Obama administration’s push for sanctions is actually aimed “at changing Iran’s political behavior” as opposed to preventing nuclear proliferation. This seems likely to me. The fact that Iran is not a subservient client state who we pay to obey, like most of the rest of the states in the region, represents a threat to American hegemonic dominance. And they’re unlikely to stand for it.

## Economy

### 1NC --- Regulatory Experience Turn

#### China no longer fears protectionism as a result of US policy --- CFIUS is good because it forces Chinese corporations to build-up their regulatory experience and capability --- ultimately incentivizes reforms that liberalize the Chinese economy

Daniel H. Rosen 12, partner at the Rhodium Group, and Thilo Hanemann research director at the Rhodium Group, “The Rise in Chinese Overseas Investment and What It Means for American Businesses,” China Business Review, July-September 2012, https://www.chinabusinessreview.com/public/1207/rosen.html

Initially, politicians in Washington and elsewhere were caught off guard by rising Chinese investment interest in the United States. Hostile reactions to China National Offshore Oil Corp.'s (CNOOC) 2005 takeover offer for Union Oil Company of California (Unocal), a California-based oil company that later merged with Chevron Corp., left Chinese companies and officials with negative impressions of the US investment environment. US lawmakers were concerned that the deal could affect the availability of oil or endanger US national security. The shadow of the Unocal debacle still looms over the China-US investment relationship, but progress has been made over the past two years on both the federal and local levels. These efforts have helped to reassure Chinese investors that the United States is open for business.¶ Despite the downturn caused by the financial crisis, the Obama administration has stood firmly against calls to use national security reviews for foreign investment as a protectionist tool, and officials have repeatedly emphasized that the United States welcomes investment from China. The Committee on Foreign Investment in the United States (CFIUS), which screens investments for national security risks, has cleared the vast majority of Chinese proposals, among them acquisitions in sensitive sectors, such as power generation, shale gas development, and aviation. At the same time, policymakers in Washington are struggling with legitimate questions related to Chinese investment, such as how to treat investment in telecom networks and other critical infrastructure, and the potential impact of investment by China's state-owned enterprises on competition and markets given the distorted nature of their cost structures back home.¶ Over the past two years, the Obama administration has also stepped up the federal government's efforts to attract foreign investors to the United States. In 2011, the US government beefed up its federal investment promotion effort with a new initiative called "Select USA" to aid foreign investors. Many states have also started to ramp up their efforts to target Chinese investors specifically, opening offices and hosting road shows in China. This increased on-the-ground assistance will help Chinese investors overcome some of the difficulties they have experienced making the move to the United States. ¶ HOME-GROWN PROBLEMS REMAIN KEY IMPEDIMENTS¶ The most significant hurdles for Chinese firms looking to expand their footprint in the United States are not US policy or politics, but a lack of capability and experience with overseas investment in sophisticated markets. In the past, most Chinese firms were focused on establishing themselves in the competitive domestic market or serving overseas markets through exports. This inward orientation has left firms ill-prepared for the challenge of going abroad. And the challenges are only exacerbated for the new generation of overseas investors—mostly firms in the manufacturing and service sectors—who are near the beginning of the learning curve, well behind early frontrunners like China's large oil firms that have been operating in overseas markets for more than a decade.¶ The track record of Chinese investments in North America and Europe illustrates these weaknesses. Many firms have rushed into opportunistic takeover attempts without careful planning or a clear strategy. One particular problem is that Chinese firms have to actively manage political risks on two fronts, but often lack the capacity to do so. In addition to navigating through national security screenings and politicization in host countries, Chinese corporations also have to deal with domestic politics in China. Despite gradual liberalization of China's capital controls in past years, firms still need to go through a burdensome and time-consuming approval process for overseas investments. This often involves numerous regulators and bureaucrats with different preferences and attitudes, delaying deals and diminishing the Chinese firm's chances in competitive bids. Sometimes Chinese regulators and industrial policy planners also strong-arm firms into abandoning deals, as when China's Sichuan Tengzhong Heavy Industrial Machinery Co. was forced to relinquish an attempted takeover of US auto brand Hummer in 2010. The purchase of Hummer was not seen as in line with important industrial policy goals, such as consolidation of the fragmented auto sector and the promotion of higher fuel efficiency cars.¶ Other home-grown factors add to the difficulties. The bias of the domestic financial system towards state-owned firms and investments in tangible assets is even more pronounced when it comes to overseas financing, especially smaller firms from China's private sector that struggle to raise financing for overseas projects. More importantly, the weak domestic regulatory environment leaves China's firms unprepared to do business in highly regulated markets. This can simply be a drag for operating in the United States, but in some cases it also makes Chinese investors more vulnerable to outside attacks by competitors or interest groups. Domestic reforms addressing these weaknesses, such as strengthening corporate governance rules, are urgently needed to accelerate the learning curve of Chinese businesses.¶ IMPLICATIONS FOR AMERICAN BUSINESSES¶ The era of rising Chinese investment will be both sweet and sour for American businesses. In many industries, the emergence of these new Asian multinationals will transform the competitive landscape. Rising overseas Chinese presence will mean new competitors for US firms. The acquisition of foreign brands and technology will make Chinese firms stronger in their home markets, which is in some cases currently dominated by foreign firms, such as autos or luxury goods. OFDI will also help Chinese manufacturers enter markets they have yet to breach. In addition to moving them up the technology ladder, OFDI will help China's pioneers establish local after-sales operations, which was the key for frontrunners including Huawei Technologies Co., Ltd., Sany Heavy Industry Co., Ltd., and Haier Group Co. to sell high-tech products in foreign markets.¶ Finally, the emergence of Chinese multinationals will enhance competition for scarce global assets, most importantly human talent. Unlike the multiethnic and diverse workforces typical of Western multinationals, Chinese companies mostly employ young Han Chinese with very little experience in running global operations. China's new multinationals will have to adjust their structures and workforce to be successful in markets abroad, which means a massive demand for talented staff. Several industries are already experiencing a burgeoning hiring spree by new entrants, for example Huawei's local recruiting efforts in the United States and Europe. This is good news for local job markets, but may not be such good news for other multinationals keen on retaining their most valuable staff.¶ On the other hand, a Chinese investment boom will offer plenty of opportunities for well-positioned US firms. In a post-crisis, slow-growth world with significantly lower levels of global FDI, Chinese buyers are a bright spot for divesting assets. Chinese firms are interested in acquiring assets that US firms want to discard when moving up the value chain themselves, such as when International Business Machines Corp. (IBM) sold its PC division to China-based Lenovo Group Ltd. in 2004. The move of Chinese firms into new markets will also offer plenty of opportunities for co-investments and partnerships. China's firms are in a weak position when it comes to running overseas operations for all the reasons discussed above, and just like American multinationals entering China in years past, they will need allies to establish a presence in advanced market economies in the period ahead.¶ One dividend from China's move abroad will be the benefit of their having to learn to play our game. For decades, Chinese businesses have operated on a purely domestic field and have therefore remained more or less shielded from foreign regulations and courts. Dumping duties were one of the few legal instruments Chinese firms had to fear. Going abroad changes this situation fundamentally. Chinese firms operating in the United States and Europe will have to comply with local laws and regulations, and they are subject to US courts and litigation, giving their competitors a greater arsenal of legal options in the case of improper behavior. Exposure to foreign regulators should also create a positive feedback loop back into China, pushing the government to realize that its own legal system is diminishing the chances for these firms to successfully compete overseas. Over the long term, China's new multinationals might even ramp up lobbying efforts with their own government for a level playing field at home, once they are able to compete in a rules-based and sophisticated market economy and see this as competitive advantage vis-à-vis less globalized domestic competitors.¶ Finally, growing Chinese investment in developed economies will open up new opportunities in the Chinese market. China still maintains significant controls on capital inflows, and many sectors of the economy remain closed to foreign investment, especially in services. The Chinese government emphasizes that it will continue to open these sectors to private and foreign investment, but in a gradual manner. The growing interest in outward investment in developed economies provides Beijing with an excellent reason to accelerate the pace of opening at home, to forestall the unfavorable comparisons of reciprocal treatment which will inevitably arise. This could well lead to new liberalization in China, offering wider opportunities for foreign multinationals in industries currently off-limits to them.

#### Market reforms are key to continued Chinese economic growth

Wayne M. Morrison 12, Specialist in Asian Trade and Finance – CRS, “China’s Economic Conditions,” June 26, 2012, http://www.fas.org/sgp/crs/row/RL33534.pdf

China’s economy has shown remarkable growth over the past several years, and many economists project that it will enjoy fairly healthy growth in the near future. However, economists caution that these projections are likely to occur only if China continues to make major reforms to its economy. Failure to implement such reforms could endanger future growth. They note that China’s current economic model has resulted in a number of negative economic (and social) outcomes, such as over-reliance on fixed investment and exporting for its economic growth, extensive inefficiencies that exist in many sectors (due largely to government industrial policies), wide-spread pollution, and growing income inequality, to name a few. Many of China’s economic problems and challenges stem from its incomplete transition to a free market economy and from imbalances that have resulted from the government’s goal of economic growth at all costs.

### 1NC --- Ralls/Wind AC + Status Quo Solves Transparency

#### Obama just blocked a Chinese energy investment on CFIUS’ national security grounds --- freaks out Chinese investors in the short-term – but will ultimately cause greater CFIUS transparency, which solves the case

WSJ 10-2, Chinese-Owned Firm Sues Obama Over Wind-Farm Project, October 2, 2012, http://online.wsj.com/article/SB10000872396390444004704578032083846454200.html

WASHINGTON—The Chinese executives that President Barack Obama blocked from acquiring a wind-farm project in Oregon challenged the rare rejection with a lawsuit Monday alleging that the president acted unconstitutionally.¶ The suit faces an uphill path, but raises the question of whether presidential decisions should be subject to review by courts.¶ On Friday, the president effectively nullified the Chinese-owned Ralls Corp.'s purchase of four wind-farm projects next to a naval test facility in Oregon. He followed the recommendation in September of the Committee on Foreign Investment in the U.S., a panel comprising representatives of 16 government agencies and offices that scrutinizes the national-security implications of foreign investments.¶ The decision, coming in the midst of a presidential election which has seen both candidates jockey to appear tough on China, was the first time in more than 20 years that a president scuppered a proposed deal by a foreign buyer on national-security grounds. Nearly all proposed deals that raise security concerns at CFIUS are fixed or withdrawn before they reach the president's desk.¶ Ralls had challenged CFIUS in court before the president made his ruling. In a lawsuit filed last month, Ralls argued that CFIUS acted in an arbitrary manner by ordering the company to cease construction at the wind farms without revealing what the national-security concerns were or how they could be addressed.¶ In blocking the deal himself, Mr. Obama appeared to fend off that legal challenge, and made further legal action against the ruling seemingly hopeless.¶ But Ralls amended its complaint late Monday, arguing that the president exceeded his statutory authority by ordering Ralls to unwind its operation in Oregon. The company also alleged it was deprived of due process.¶ "CFIUS and the president acted in an unlawful and unauthorized manner," reads the amended complaint. "At no point has CFIUS ever provided or discussed with Ralls any evidence" related to the transaction's "supposed national-security risks," it said.¶ The Treasury Department plays a central role in the CFIUS determination process, and spokeswoman Natalie Wyeth Earnest said Tuesday that "We believe the lawsuit has no merit, and we intend to defend the case vigorously."¶ CFIUS approves most of the roughly 100 applications it reviews each year. It has never been seriously challenged in court. However, legal experts said some of Ralls's arguments do raise legitimate questions about how CFIUS operates, legal experts said.¶ For instance, companies that are "adversely affected" by the actions of a government agency have the right, under the Administrative Procedures Act, to judicial review. Ralls argues that companies injured by CFIUS rulings should have that same right.¶ However, the president is traditionally given wide latitude to decide matters relating to national security.¶ The suit is "a little bit of a Hail Mary. It's going to be interesting to see if there's a court that would take the view that the president's decision on something related to national security is something that ought to be second-guessed," said Farhad Jalinous, a trade lawyer at Kaye Scholer LLP in Washington.¶ But the filing of the lawsuit could embolden companies. Mr. Jalinous said that companies involved in negotiations with CFIUS might feel they have more leverage if legal action is an option. Conversely, at a time when the U.S. is seeking to attract more foreign investment, some experts think the lawsuit could prompt CFIUS to be more transparent about how it evaluates potential deals.¶ "CFIUS may take this to heart, to some extent, in terms of what they start coming back to companies with when they are really concerned about a transaction, in terms of being more transparent about the basis for the concerns," said Thad McBride, an international trade lawyer at Sheppard, Mullin, Richter & Hampton LLP in Washington.

### 1NC --- CFIUS Politicization Inevitable

#### Alternate causalities swamp the case --- a handful of other industries will still politicize the CFIUS national security standard

Susan W. Liebeler 93, a former chairman of the U.S. International Trade Commission, is a partner in the law firm of Irell & Manella. William H. Lash III is an assistant professor at St. Louis University School of Law, Exon-Florio: Harbinger of Economic Nationalism? Regulation, Vol. 16, No. 1, Winter 1993, www.cato.org/pubs/regulation/regv16n1/reg16n1d.html

Many members of Congress have pressured CFIUS to use Exon-Florio more widely for reasons having nothing to do with national security. Sen. Exon suggested that CFIUS could block an acquisition by Tokuyama Soda because of Tokuyama's role in a soda ash cartel. House majority leader Richard A. Gephardt has suggested that Exon-Florio can be used to protect ``American competitiveness,'' whatever that means. Investment in South Africa was raised as a reason for stopping BTR's bid for Norton. Citing a disturbing pattern of labor policies in South Africa, Rep. Ronald V. Dellums warned President Bush that allowing BTR to expand its U.S. operations would risk ``a potential backlash from African countries with whom the United States has vital political and economic interests.''¶ The problem is that Exon-Florio is a potential tool for a future administration to use in implementing a policy of economic nationalism. The statute and implemention regulations neither define national security nor provide a list of industries exempt from Exon-Florio scrutiny. National security can be stretched fairly thin. In the past clothespin, peanut, pottery, shoe, pen, paper, and pencil manufacturers have tried to justify government protection by invoking national security. Under another administration national security could be interpreted to encompass economic security. Changes in the political philosophy of future administrations could certainly result in a change in the makeup of CFIUS and the way Exon-Florio is administered.

### 1NC --- Chinese FDI High

#### Chinese FDI is high – across a range of industries – including oil and natural gas

Daniel H. Rosen 12, partner at the Rhodium Group, and Thilo Hanemann research director at the Rhodium Group, “The Rise in Chinese Overseas Investment and What It Means for American Businesses,” China Business Review, July-September 2012, https://www.chinabusinessreview.com/public/1207/rosen.html

China accounts for only a tiny share of total foreign direct investment in the United States, but the upward trend is clearly underway. A new assessment of FDI flows calculated by the Rhodium Group shows that Chinese firms are now operating in at least 37 of 50 states and have investments across a wide range of US industries. Chinese investment in the United States grew from less than $1 billion annually before 2008 to $2 billion in 2009 and $5 billion in 2010 (see Fig. 2). While fewer deals were made in the second half of 2011, dragging down the full year figure to $4.5 billion, investment picked up again in the first months of 2012. Several large scale acquisitions have already closed, for example Sinopec Shanghai Petrochemical Co.'s (Sinopec) $2.5 billion investment in five shale oil and gas fields owned by Oklahoma-based Devon Energy Corp. and the $2.6 billion acquisition of movie theater operator AMC Entertainment Holdings by China's Dalian Wanda Group Co. Several big manufacturing deals are also in the pipeline for 2012, such as Golden Dragon Precise Copper Tube Group, Inc.'s $100 million copper tubing plant in Alabama, and a massive $5 billion solar project by ENN Mojave Energy Corp. in Nevada. If the ENN deal goes through, it would be equivalent to all Chinese investment in the United States in 2011.

### 1NC --- Alternate FDI Hurdles

#### CFIUS is one of many hurdles to Chinese FDI – they don’t solve

Ting Xu 12, Bertelsmann Foundation, Dr. Thieß Petersen, Bertelsmann Stiftung, and Tianlong Wang, China Center for International Economic Exchanges (CCIEE), Cash in Hand, Bertelsmann Foundation, 2012, <http://www.bfna.org/sites/default/files/publications/Cash%20in%20Hand%20Second%20Edition%20final.pdf>

While the media has mostly concentrated on controversial Chinese FDI to the U.S. involving

CFIUS, it is important to point out that CFIUS only investigates and regulates foreign investors

that take control or purchase significant shares of existing U.S. businesses, and it does not have

jurisdiction over greenfield investment. In addition, CFIUS is not the only hurdle for FDI related to

national security concerns. For example, the National Industrial Security Program was established

in 1993 to safeguard industrial information held by contractors, licensees, and grantees of the

U.S. government that are critical to national security. In 2006, the Strategic Materials Protection

Board, composed of representatives from several offices in the Department of Defense, was created

to examine materials critical to national security and recommend strategy for the president to

ensure domestic availability of these materials. Their recommendation could prevent foreign

investment in business tied to critical material such as specific types of steel (Jackson 2010,

8) In additional, export-control regulations can have significant impact on a foreign company’s

acquisition investment in certain industries in the U.S. For example, the Export Administration

Regulations under the Commerce Department determine “dual–use” items, many of which are not

accessible for China; the International Traffic in Arms Regulations under the State Department

controls export or foreign transfer of U.S. Munitions List articles and services, which are currently

prohibited by law to be exported or re-exported to China; and the Office of Foreign Assets Control

under the Treasury Department manages sanctions programs, which make it illegal for any

foreign nationals in the U.S. or U.S. citizens abroad to facilitate trade or financial transactions

with a sanctioned country. These regulations further complicate Chinese investment in the U.S.,

because China itself is subject to many export-controlled businesses, and many of those countries

on the sanction list are the ones Chinese companies frequently trade with, such as Burma, Cuba,

and Iran. So when Chinese businesses attempt to acquire U.S. companies or make greenfield

investments in sensitive industries related to the aforementioned regulations, they are likely to

come under extra scrutiny by U.S. authorities.

### 1NC --- No Impact to CFIUS --- General

#### No impact --- CFIUS approves 99.9% of all transactions

Marchick 7 (David, partner at Covington & Burling, where he advises companies on the CFIUS process, “Swinging the Pendulum too Far: An Analysis of the CFIUS Process Post-Dubai Ports World,” Jan, http://www.nfap.net/researchactivities/studies/NFAPPolicyBriefCFIUS0107.pdf)

In the 18 years that Exon-Florio has been in force, there have been slightly more than 1700 CFIUS filings. Only one transaction has formally been blocked by the President — a 1990 aerospace investment by a Chinese company. From the data, one would think that CFIUS has merely been a rubber stamp, approving 99.9 percent of the acquisitions. The data belie actual practice, since tough restrictions are imposed by CFIUS as a condition for approval — typically through “mitigation” or “national security” agreements. In addition, parties typically will abandon a transaction in the face of a possible rejection rather than force the President to formally block a proposed acquisition. The public relations damage to a company if a President were to block an acquisition would be substantial.

### 1NC --- No Impact to CFIUS --- China-Specific

#### --- No impact to CFIUS --- deals are still going through

WSJ 10-18 --- Failed U.S. Deals Stir Tensions With China, Wall Street Journal, 10-18-12, <http://online.wsj.com/article/SB10000872396390444592704578064990253875004.html>

Still, the latest cases appear to be exceptions. Wanxiang Group signaled on Thursday that it planned a new offer for electric-car battery maker A123 Systems. Its original $465 million deal for 80% of the company fell apart amid congressional opposition. Few foreign-investment deals fail outright due to U.S. national-security objections raised through the Committee on Foreign Investment in the United States, a government panel that reviews sensitive acquisitions. Just 5% of the 313 CFIUS-reviewed transactions between 2008 and 2010 forced changes to the deal. U.S. officials say the process doesn't discriminate based on the country of a company trying to invest in the U.S.

"The perception in China is that the U.S. market is difficult to invest in, that CFIUS is knocking down all these deals," said Timothy J. Keeler, a partner at Mayer Brown LLPin Washington and former U.S. trade official. Thanks to overall increased China investment in the U.S., it isn't surprising to see "an increase in the number of deals that run into problems even though the number is relatively small,'' the lawyer added.

### Protectionism Defense

#### No protectionism

Dickson 10(David, Despite fears, big powers resist trade wars, 9 March 2010, http://www.washingtontimes.com/news/2010/mar/09/despite-fears-big-powers-resist-trade-wars/, AMiles)

It's the trade war that wasn't. Fears that the deep global recession would fuel protectionist measures have not been borne out, a major survey found. Commissioned by the Group of 20 leading industrial powers, the study found that the United States and its major trading partners have cut back sharply on trade-killing restrictions since September, despite strong political pressures at home. "Most G-20 members continue to manage successfully the political process of keeping domestic protectionist pressures under control, despite a difficult environment for some of them where employment levels and new job opportunities are shrinking," the report said. The restrictions that were embraced tended to be "concentrated in sectors that are already relatively highly protected, such as minerals, textiles and metal products." As the global recession deepened in 2008 and 2009, many economists feared a modern trade war similar to the tit-for-tat tariff increases and import quotas that characterized the Great Depression of the 1930s, when measures such as the Smoot-Hawley Tariff Act in the United States sent world commerce plummeting by more than 50 percent. This time, nations operated with far more restraint. The inclination toward protectionism subsided during the past six months as the economies of most nations began growing again after the longest, deepest, most widespread global recession since the Great Depression. The survey could mean good news for a global economy that is gathering new steam, with fewer new trade barriers and tariffs to dismantle as the major trading powers struggle to complete the stalled Doha trade round — a global negotiation now in its ninth year. The report was released Monday by the World Trade Organization (WTO), which coordinated with analysts from the Organization of Economic Cooperation and Development and the United Nations. "Since September 2009, recourse to new trade restrictions by G-20 members has been less pronounced" than in the previous 12 months, according to the report. The G-20 includes the leading Western industrial democracies and major emerging-market and developing nations, such as Brazil, Russia, China, India and South Korea. The WTO calculated that restrictive measures introduced since Sept. 1 covered 0.7 percent of G-20 imports, or 0.4 percent of total world imports. By comparison, trade restrictions adopted during the previous period affected twice that level of commerce — 1.3 percent of G-20 imports or 0.8 percent of total world imports. The Obama administration and the Democrat-led Congress have been criticized for a lack of enthusiasm for free-trade deals and for a greater willingness to curb imports in comparison with the policies of the George W. Bush administration. Free-trade pacts with South Korea, Colombia and Panama have stalled in Congress since Mr. Obama took office last year. "This delay in implementation hurts U.S. credibility around the world, not just economically, but geopolitically as well," Sen. Charles E. Grassley, Iowa Republican, told U.S. Trade Representative Ron Kirk at a hearing last week. "On top of that, it creates some confusion with respect to the administration's own trade initiatives," Mr. Grassley said. Some congressional Democrats, far more skeptical of previous free-trade pacts, recently called for an end to the North American Free Trade Agreement with Canada and Mexico. The WTO report cited the United States for restricting tires and coated paper imported from China, conducting anti-dumping investigations involving steel fasteners and steel oil-drilling pipes imported from China, complicating Canadian participation in government-procurement contracts and prolonging assistance to financial institutions through the $700 billion Wall Street bailout program. But WTO analysts said no new major trade-reducing measures were adopted during the past six months in services, although countries continued to intervene in the transportation and financial industries, both of which received ongoing government support. Global Trade Alert, an independent monitoring organization, issued a much more pessimistic review of protectionism last month. "Stabilization certainly hasn't ended protectionism," said Simon Evenett, a trade economist who serves as coordinator for the group. "Since the beginning of the fourth quarter of 2009, a substantial number (63) of beggar-thy-neighbor policies have been implemented." "If anything, G-20 governments have been responsible for a higher share of protectionist measures since [economic] stabilization began," he said. However, Mr. Evenett was not predicting a trade war. While the degree of protectionism remains a subject of debate, the trend in world trade is not. World trade volume surged by 4.8 percent in December, after an increase of 1.1 percent in November, according to a widely watched report by the CPB Netherlands Bureau for Economic Policy Analysis. December's jump was the biggest gain since monthly record-keeping began in 1991.

#### Interdependence doesn’t solve war

May 5**—**Professor Emeritus (Research) in the Stanford University School of Engineering and a senior fellow with the Institute for International Studies at Stanford University. Former co-director of Stanford University's Center for International Security and Cooperation. Principal Investigator for the DHS. (Michael, “The U.S.-China Strategic Relationship,” September 2005, http://www.ccc.nps.navy.mil/si/2005/Sep/maySep05.asp)

However important and beneficial this interdependence may be from an economic point of view, it is not likely to be a significant factor for strategic stability. Famously, economists before World War I sounded clear warnings that Europe had become economically interdependent to an extent that war there would ruin Europe. The war was fought nevertheless, Europe was duly ruined, and the ensuing political consequences haunted Europe to the end of World War II. Other cases exist. Modern war has been an economic disaster. Economic realities, including economic interdependence, play little role in whether a country goes to war or not. Economic myths certainly do and they usually affect strategic stability quite negatively. This is another reason why domestic perceptions matter: they determine which myths are believed.

### Economy Defense

#### Even massive economic decline has zero chance of war

Robert Jervis 11, Professor in the Department of Political Science and School of International and Public Affairs at Columbia University, December 2011, “Force in Our Times,” Survival, Vol. 25, No. 4, p. 403-425

Even if war is still seen as evil, the security community could be dissolved if severe conflicts of interest were to arise. Could the more peaceful world generate new interests that would bring the members of the community into sharp disputes? 45 A zero-sum sense of status would be one example, perhaps linked to a steep rise in nationalism. More likely would be a worsening of the current economic difficulties, which could itself produce greater nationalism, undermine democracy and bring back old-fashioned beggar-my-neighbor economic policies. While these dangers are real, it is hard to believe that the conflicts could be great enough to lead the members of the community to contemplate fighting each other. It is not so much that economic interdependence has proceeded to the point where it could not be reversed – states that were more internally interdependent than anything seen internationally have fought bloody civil wars. Rather it is that even if the more extreme versions of free trade and economic liberalism become discredited, it is hard to see how without building on a preexisting high level of political conflict leaders and mass opinion would come to believe that their countries could prosper by impoverishing or even attacking others. Is it possible that problems will not only become severe, but that people will entertain the thought that they have to be solved by war? While a pessimist could note that this argument does not appear as outlandish as it did before the financial crisis, an optimist could reply (correctly, in my view) that the very fact that we have seen such a sharp economic down-turn without anyone suggesting that force of arms is the solution shows that even if bad times bring about greater economic conflict, it will not make war thinkable.

## Gas Advantage

### --- Shift Away From Coal Now

#### --- China’s moving away from coal now

Ailun Yang 10-15, Senior Associate – World Resources Institute, “What Is The Future Of King Coal In China?” 10-15-12, http://insights.wri.org/news/2012/10/what-future-king-coal-china

China’s great thirst for coal is undeniably troubling from a sustainable development standpoint. However, the situation may be changing. I recently joined three other experts to speak at a Congressional briefing entitled, “Why China Is Acting on Clean Energy: Successes, Challenges, and Implications for U.S. Policy.” While my fellow speakers spoke about the progress of clean energy development in China, I sought to explain how the growing constraints on coal development are acting as one factor pushing China to move more aggressively towards clean energy.

What’s Pushing China Toward Clean Energy?

Traditional wisdom has been that China is building massive numbers of new coal-fired plants, and that such development would continue forever. However, two new indicators seem to be telling a different story.

The first and arguably most important indicator is the weak economic performance of China’s coal power sector, which accounts for more than half of China’s coal consumption. China’s State Electricity Regulatory Commission (SERC) reported that almost all coal-fired plants have been losing money since last year. Investment in coal-fired plants in 2011 was not even half of what was invested in 2005. About one-third of the proposed new coal–fired plants that have been approved are delaying the start of their construction, resulting in a big slowdown in newly added coal power capacity. In fact, based on the number of coal-fired plants completed this year so far, newly installed capacity is likely to be only half of what was installed last year.

### --- CFIUS Not Key

#### --- Chinese companies are pursuing “hands off” oil deals because of the political conditions --- not CFIUS

Mandel – 1AC author – 12 (Jenny, Reporter for EnergyWire, a daily publication covering the unconventional oil and gas sectors, Previous positions with E%26E include editing Land Letter and writing news and feature stories for Greenwire, ClimateWire, and other news outlets, "Will U.S. shale technology make the leap across the Pacific?," EnergyWire: Tuesday, July 17, 2012, http://www.eenews.net/public/energywire/2012/07/17/1)

Despite the challenges, the allure of a massive new domestic energy source has the Chinese government and private and state-owned companies moving cautiously toward development. Today, virtually all of the key intellectual property behind shale gas extraction lies with North American companies, and one of the first steps the Chinese have taken is to pour money into U.S. and Canadian ventures where those technologies are in use.

In 2010 and 2011, China National Offshore Oil Corp. (CNOOC) paid $2.3 billion for partial stakes in plays by Chesapeake Energy Corp. in Texas, Wyoming and Colorado. Earlier this year, Sinopec bought into Oklahoma City-based Devon Energy Corp.'s holdings across Louisiana, Mississippi, Colorado, Ohio and Michigan in a $2.5 billion deal. Chinese companies have also aggressively pursued investment deals in Canadian shale projects.

But Johns Hopkins' Kong said attempts by Chinese companies to negotiate North American on-the-job training have been blocked.

The deal with Chesapeake, for example, limited the interaction of CNOOC personnel with sensitive technologies by restricting the company's right to send workers into gas fields, Kong said. "The Chinese companies have agreed deliberately not to send their oil workers to American gas fields and not to participate in boardroom decisions," Kong said. "The Chinese companies have agreed to this long-term, slow, gradual approach to gaining know-how in the North American energy sector."

The caution stems mostly from a political firestorm that broke out when, in 2005, CNOOC tried to buy Unocal Corp. in an $18.5 billion deal that was eventually withdrawn in the face of opposition from Congress. Since then, there has been a general awareness among Chinese players of the need to move slowly and avoid raising red flags (E&ENews PM, Aug. 2, 2005).

So what do Chinese investors gain from these North American investments, then, if not direct access to fracking technologies? "By investing in the U.S. ... they benefit from the spill-over effect," Kong said. They have some personnel involved with the projects, even if they're not learning the nitty-gritty of how to develop a fracking plan, and may be able to pick up some very high-level management expertise that is relevant at home.

### --- No Solvency --- Domestic Impediments

#### --- No solvency --- numerous domestic impediments to Chinese shale development

Kevin Tu 10-24, senior associate at the Carnegie Endowment for International Peace, where he directs Carnegie's work on China's energy and climate policies, “Beijing's Problem With Shale,” Wall Street Journal, http://online.wsj.com/article/SB10000872396390444734804578062402954326178.html?mod=googlenews\_wsj

But China is hardly on track to replicate America's success. Several factors still threaten to trip up Beijing's efforts to bring the shale revolution to the Middle Kingdom.

"Technologically recoverable" is not the same as "economically recoverable." Shale gas deposits in China are generally located in mountainous areas and remote deserts, and are buried deep underground. While the technology exists to extract gas in those conditions, it's not cheap. Drilling costs in China have run as high as $16 million per well, compared to only several million dollars in the United States.

This need for capital is related to the weakest link of China's shale gas industry: the country's inability to attract the right types of developers and incentivize private enterprises to spur much-needed innovations. Major international players, while interested in investing, are well positioned to resist transferring critical technological know-how to their Chinese counterparts—which effectively leads to a prolonged learning curve.

Despite some signs of openness, China has struggled to attract investment from smaller foreign players. Beijing already faced an uphill slog since many smaller American drillers face financial troubles due to low gas prices in their home market. Making matters worse, the legal vacuum for shale gas development (including licensing, exploration and production); a lack of intellectual property rights protection for technology; low gas prices in China; and a dearth of easily recoverable fields for new entrants all are deterring investment.

Beijing also has a hard time attracting the right kind of domestic developers. China lacks strong protections for private property rights, especially in the energy industry. Shale gas investors will have noticed the most recent consolidation of the Shanxi coal industry starting from 2009, in which the government forced mergers among ostensibly private mines and mostly benefited state-owned companies. Not surprisingly, private investors in China are more likely to be interested in short-term speculation instead of long-term investment in research and development that is key to a Chinese shale gas revolution.

Nor will China necessarily reap environmental rewards from shale gas. Hydraulic fracturing—which uses pressurized fluid to break up the shale deposits that contain the gas—is water-intensive and many shale gas fields in China face serious water shortages, making it difficult to scale up output. Even in regions where water availability is less of a concern, inexperienced or irresponsible drilling practices risk fresh water contamination.

Though China currently has only 62 shale gas wells in trial development zones, Beijing has recognized the importance of water management in China's Shale Gas Development Plan for 2011-2015. Even so, China's problematic environmental enforcement records and the country's highly fragmented water governance mechanism certainly do not necessarily hold the promise of moving the water management agenda toward the right direction.

Shale gas can improve China's environment and energy security. But there are too many barriers that will prevent China from duplicating America's success. The shale revolution can certainly spread across the Pacific one day. But for that to happen, Beijing will need a major revamp of basic policies such as protection of property rights.

### No CCP Collapse

#### Protestors work within the system --- won’t overthrow the CCP

Fisher ’12 – associate editor at The Atlantic, where he edits the International channel (Max, “How China Stays Stable Despite 500 Protests Every Day,” January 5, The Atlantic, http://www.theatlantic.com/international/archive/2012/01/how-china-stays-stable-despite-500-protests-every-day/250940/)

But what is perhaps most remarkable, and remarkably typical, of the Wukan movement was the protesters' insistence on declaring fealty to the Chinese Communist Party. Though China's 2011 could have possibly seen more mass demonstrations than the entire Arab world, this is one reason that China probably remains far away from an Arab Spring-style revolutionary movement. Popular movements here seem to express relatively narrow complaints, want to work within the system rather than topple it, and treat the Communist Party as legitimate. Protests appear to be part of the system, not a challenge to it -- a sort of release valve for popular anger that, if anything, could have actually strengthened the Party by giving them a way to address that anger while maintaining autocratic rule. In the absence of real democracy, this give-and-take between state and society could actually help maintain political stability in China -- for now.

That tradition goes back at least a decade, to a climax of labor movement protests in spring 2002. In the steel city of Liaoyang that May, thousands of workers massed in protest. Corrupt local officials had siphoned small fortunes out of the town's factories, forcing many of them to shut down and send their workers home without their pensions, which the officials had also plundered. Liaoyang's problems then, like Wukan's today, were not atypical: the national movement toward privatization had given party officials special access, allowing them to get rich overnight as part of a new and burgeoning crony capitalist class while powerless workers went hungry.

As in Wukan last month, Liaoyang's 2002 protest was exceptional for its size -- tens of thousands marched over several days, shutting down the city and forcing senior Communist Party officials to respond -- but its leaders deliberately stopped short, even after being attacked by security forces, of publicly questioning the Communist Party's total rule. They wrote letters to senior officials, whom they addressed as "respected elder" or "beloved," emphasizing that the protesters were loyal to the Communist Party and asking only for those officials to enforce preexisting laws against corruption.

Philip Pan, a former Washington Post Beijing bureau chief, reported in his 2008 book Out of Mao's Shadow that the protest leaders privately agreed that single-party rule was the underlying cause of Liaoyang's problems, but were afraid to publicly criticize it or call for democracy and ultimately decided to appeal to senior Party leaders rather than challenge them.

As long as the political system remained unchanged, they agreed, those with positions of power could always abuse it, and workers could hope only for marginal improvements in their lives. For real progress, they thought democratic reform was necessary, and they believed that most workers supported such a goal. But they also knew that persuading workers to participate in a protest advocating democratic change would be all but impossible. The workers had internalized the lessons of the Tiananmen massacre. Everybody knew that the party would quickly crush a direct challenge to its authority, and nobody wanted to go to prison. People were too afraid.

The memory of Tiananmen has faded in the decade since 2002. But the dynamic of China's hundreds of daily demonstrations has remained the same. So has the Party's uncanny ability to keep dissent both "within-system" and small-scale, almost never revolutionary in nature or even publicly critical of the autocracy inherent in Communist Party rule.

Officials are too smart to believe their own rhetoric about the benevolence or necessary permanence of single-party rule -- the CPP is not Bashar al-Assad, and they know better than to meet every dissenter with a bullet. But so are Chinese, whether activists or workers, aware of the Party's sensitivity to popular anger. So, over time, an informal but well-honed process has developed. And though it allows protesters to often come away unscathed and sometimes with real concessions, just like in Las Vegas, the house always wins. Again, from Out of Mao's Shadow:

### No Russia/China War

#### Shared interests solve

Weitz 11---Director, Center for Political-Military Analysis Senior Fellow Hudson Institute. PhD in pol sci from Harvard (Richard, China-Russia relations and the United States: At a turning point?, <http://en.rian.ru/valdai_op/20110414/163523421.html>)

Since the end of the Cold War, the improved political and economic relationship between Beijing and Moscow has affected a range of international security issues. China and Russia have expanded their bilateral economic and security cooperation. In addition, they have pursued distinct, yet parallel, policies regarding many global and regional issues.

Yet, Chinese and Russian approaches to a range of significant subjects are still largely uncoordinated and at times in conflict. Economic exchanges between China and Russia remain minimal compared to those found between most friendly countries, let alone allies.

Although stronger Chinese-Russian ties could present greater challenges to other countries (e.g., the establishment of a Moscow-Beijing condominium over Central Asia), several factors make it unlikely that the two countries will form such a bloc.

The relationship between the Chinese and Russian governments is perhaps the best it has ever been. The leaders of both countries engage in numerous high-level exchanges, make many mutually supportive statements, and manifest other displays of Russian-Chinese cooperation in what both governments refer to as their developing strategic partnership.

The current benign situation is due less to common values and shared interests than to the fact that Chinese and Russian security concerns are predominately directed elsewhere.

Although both countries have experienced a geopolitical resurgence during the past two decades, Chinese and Russian security concerns are not directed at each other but rather focus on different areas and issues, with the notable exceptions of maintaining stability in Central Asia and constraining North Korea’s nuclear activities.

Most Chinese policy makers worry about the rise of separatist movements and Islamist terrorism in western China and about a potential military clash with the United States in the Asia-Pacific region, especially regarding Taiwan and the contested maritime regions of the South China and East China Seas.

In contrast, most Russian analysts see terrorism in the North Caucasus, maintaining influence in Europe, and managing security relations with Washington as the main security challenges to their country.

Neither Chinese nor Russian military experts perceive a near-term military threat from the other’s country. The Russian government has even provided sophisticated navy, air, and air defense platforms to the Chinese military, confident that the People’s Liberation Army (PLA) would only employ these systems, if at all, against other countries. In addition, China and Russia have resolved their longstanding border disputes as well as contained their rivalries in Central Asia, the Korean Peninsula, and other regions.

Since the Soviet Union’s disintegration in the early 1990s, China and Russia have resolved important sources of their Cold War-era tensions. Through protracted negotiations, the two governments have largely solved their boundary disputes, which had erupted in armed border clashes in the late 1960s and early 1970s. The stoking of anti-Chinese sentiment by politicians in the Russian Far East impeded the ability of Russia’s first President, Boris Yeltsin, to make substantial progress during the 1990s in demarcating the Russia-China border. These politicians sought to rally local support by accusing Moscow of planning to surrender territory to Beijing. By the mid-2000s, Yeltsin’s successor, Vladimir Putin, managed to centralize sufficient political power in the Kremlin to ignore these local sentiments. Furthermore, Russia and China have demilitarized their lengthy shared frontier through a series of arms control and disarmament measures.

Chinese and Russian leaders share a commitment to a philosophy of state sovereignty (non-interference) and territorial integrity (against separatism). Although Russian and Chinese leaders defend national sovereignty by appealing to international law, their opposition also reflects more pragmatic considerations---a shared desire to shield their human rights and civil liberties practices, and those of their allies, from Western criticism.

Chinese and Russian officials refuse to criticize each other’s foreign and domestic policies in public. They also have issued many joint statements calling for a multi-polar world in which no one country (e.g., the United States) dominates. During the past few years, their leaders have commonly blamed American economic mismanagement for precipitating the global recession.

They regularly advocate traditional interpretations of national sovereignty that exempt a government’s internal policies from foreign criticism. Beijing and Moscow oppose American democracy promotion efforts, U.S. missile defense programs, and Washington’s alleged plans to militarize outer space.

The two countries strive to uphold the authority of the United Nations, where the Chinese and Russian delegations frequently collaborate to dilute resolutions seeking to impose sanctions on Burma, Iran, Zimbabwe, and other governments they consider friendly. In July 2008, they finally demarcated the last pieces of their 4,300-km (2,700 mile) frontier, one of the world’s longest land borders, ending a decades-long dispute.

Chinese and Russian officials have expressed concern about the efforts by the United States and its allies to strengthen their ballistic missile defense (BMD) capabilities. Their professed fear is that these strategic defense systems, in combination with the strong American offensive nuclear capabilities, might enable the United States to obtain nuclear superiority over China and Russia.

Both governments have also expressed unease regarding U.S. military programs in the realm of outer space. Russian and Chinese experts claim that the United States is seeking to acquire the means to orchestrate attacks in space against Russian and Chinese reconnaissance satellites and long-range ballistic missiles, whose trajectories passes through the upper atmosphere. In response, the Russian and Chinese governments have proposed various arms control initiatives purportedly aimed at preventing the militarization of space.

For example, the Russian and Chinese representatives have unsuccessfully sought for years at the UN Conference on Disarmament to negotiate a treaty on the “Prevention of an Arms Race in Outer Space,” which would seek to prohibit the militarization of outer space. More recently, China and Russia have submitted a joint Space Treaty to the Conference on Disarmament in Geneva, which would impose legal constraints on how the United States could use outer space. They have sought to link progress on other international arms control initiatives to the adoption of these space limitations.

The bilateral defense relationship has evolved in recent years to become more institutionalized and better integrated. As befits two large and powerful neighbors, the senior military leaders of Russia and China now meet frequently in various formats. Their direct encounters include annual meetings of their defense ministers and their armed forces chiefs of staff. Since 1997, they have also organized yearly “strategic consultations” between their deputy chiefs of the general staff. In March 2008, the Chinese defense minister established a direct telephone line with his Russian counterpart, the first such ministerial hotline ever created by China and another country. In December 2008, the chiefs of the Chinese and Russian general staffs created their own direct link.

Senior Russian and Chinese defense officials also typically participate in the regular heads of government meetings between Russia and China, which occur about once a year as bilateral summits. They also confer frequently at sessions of multinational gatherings, such as at meetings of the SCO, which host regular sessions for defense ministers. Contacts are even more common among mid-level military officers, especially those in charge of border security units and military units in neighboring Chinese and Russian territories.

Russian and Chinese military experts also engage in regular direct discussions related to their functional expertise such as communications, engineering, and mapping. Substantial academic exchanges also regularly occur. More than 1,000 Chinese students have studied at over 20 Russian military academies since 1996. The two defense communities conduct a number of larger exchanges and engagements. The best known are the major biennial military exercises that they have been holding since 2005, but smaller-scale engagements also frequently occur.

Chinese and Russian leaders also have developed shared perspectives and independent offensive capabilities regarding governmental activities in the cyber domain. The two governments have been developing their information warfare capabilities and now possess an extensive variety of offensive and defensive tools in this domain.

Furthermore, recent revelations regarding Chinese cyber-espionage activities suggest the extent to which Chinese operatives have penetrated Western information networks. In Russia’s case, cyber attacks against Estonia, Georgia, and other countries illustrate the extensive offensive capabilities available to that country’s forces. Russia’s hybrid August 2008 campaign against Georgia was particularly effective in disabling Georgia’s infrastructure as well as demonstrating a potential capacity to inflict widespread physical damage.

Both countries appear to have already conducted extensive surveying of U.S. digital vulnerabilities and to have prepared targeted campaign plans to exploit U.S. network vulnerabilities if necessary. Although these offensive and defensive preparations are being conducted independently, the Chinese and Russian governments are collaborating, along with other Eurasian allies in the SCO, to deny Internet resources to civil liberties groups and other opponents of their regimes.

Central Asia perhaps represents the geographic region where the security interests of China and Russia most overlap. Although China and Russia often compete for Central Asian energy supplies and commercial opportunities, the two governments share a desire to limit potential instability in the region. They especially fear ethnic separatism in their border territories supported by Islamic fundamentalist movements in Central Asia. Russian authorities dread the prospect of continued instability in the northern Caucasus, especially Chechnya and neighboring Dagestan. China’s leaders worry about separatist agitation in the Xinjiang Uighur Autonomous Region.

The shared regional security interests between Beijing and Moscow have meant that the newly independent states of Central Asia---Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan---have become a generally unifying element in Chinese-Russian relations. Their overlapping security interests in Central Asia have manifested themselves most visibly in the Shanghai Cooperation Organization (SCO).

### China Economy

#### China econ’s resilient---government control checks

Katsenelson 9 – Vitaliy N., director of research at [Investment Management Associates](http://bit.ly/L4eoG) in Denver, Colo., and the author of [Active Value Investing: Making Money in Range-Bound Markets](http://bit.ly/L4eoG), 7/23/09, “The China Bubble's Coming -- But Not the One You Think”, Foreign Policy, http://www.foreignpolicy.com/articles/2009/07/23/the\_china\_bubbles\_coming\_but\_not\_the\_one\_you\_think

Despite everything, the Chinese economy has shown incredible resilience recently. Although its biggest customers -- the United States and Europe -- are struggling (to say the least) and its exports are down more than 20 percent, China is still spitting out economic growth numbers as if there weren't a worry in the world. The most recent estimate put annual growth at nearly 8 percent. Is the Chinese economy operating in a different economic reality?  Will it continue to grow, no matter what the global economy is doing?  The answer to both questions is no. China's fortunes over the past decade are reminiscent of Lucent Technologies in the 1990s. Lucent sold computer equipment to dot-coms. At first, its growth was natural, the result of selling goods to traditional, cash-generating companies. After opportunities with cash-generating customers dried out, it moved to start-ups -- and its growth became slightly artificial. These dot-coms were able to buy Lucent's equipment only by raising money through private equity and equity markets, since their business models didn't factor in the necessity of cash-flow generation. Funds to buy Lucent's equipment quickly dried up, and its growth should have decelerated or declined. Instead, Lucent offered its own financing to dot-coms by borrowing and lending money on the cheap to finance the purchase of its own equipment. This worked well enough, until it came time to pay back the loans. The United States, of course, isn't a dot-com. But a great portion of its growth came from borrowing Chinese money to buy Chinese goods, which means that Chinese growth was dependent on that very same borrowing. Now the United States and the rest of the world is retrenching, corporations are slashing their spending, and consumers are closing their pocket books. This means that the consumption of Chinese goods is on the decline. And this is where the dot-com analogy breaks down. Unlike Lucent, China has nuclear weapons. It can print money at will and can simply order its banks to lend. It is a communist command economy, after all. Lucent is now a $2 stock. China won't go down that easily. The Chinese central bank has a significant advantage over the U.S. Federal Reserve. Chairman Ben Bernanke and his cohort may print a lot of money (and they did), but there's almost nothing they can do to speed the velocity of money. They simply cannot force banks to lend without nationalizing them (and only the government-sponsored enterprises have been nationalized). They also cannot force corporations and consumers to spend. Since China isn't a democracy, it doesn't suffer these problems. China's communist government owns a large part of the money-creation and money-spending apparatus. Money supply therefore shot up 28.5 percent in June. Since it controls the banks, it can force them to lend, which it has also done. Finally, China can force government-owned corporate entities to borrow and spend, and spend quickly itself. This isn't some slow-moving, touchy-feely democracy. If the Chinese government decides to build a highway, it simply draws a straight line on the map. Any obstacle -- like a hospital, a school, or a Politburo member's house -- can become a casualty of the greater good. (Okay -- maybe not the Politburo member's house). Although China can't control consumer spending, the consumer is a comparatively small part of its economy. Plus, currency control diminishes the consumer's buying power. All of this makes the United States' TARP plans look like child's play. If China wants to stimulate the economy, it does so -- and fast. That's why the country is producing such robust economic numbers.

### China Navy

#### No SCS conflict escalation---economics check---our ev assumes squo instability

Creehan 12 – Senior Editor of the SAIS Review of International Affairs (Sean, “Assessing the Risks of Conflict in the South China Sea,” Winter/Spring, SAIS Review, Vol. 32, No. 1)

Regarding Secretary Clinton’s first requirement, the risk of actual closure of the South China Sea remains remote, as instability in the region would affect the entire global economy, raising the price of various goods and commodities. According to some estimates, for example, as much as 50 percent of global oil tanker shipments pass through the South China Sea— that represents more than three times the tanker traffic through the Suez Canal and over five times the tanker traffic through the Panama Canal.4 It is in no country’s interest to see instability there, least of all China’s, given the central economic importance of Chinese exports originating from the country’s major southern ports and energy imports coming through the South China Sea (annual U.S. trade passing through the Sea amounts to $1.2 trillion).5 Invoking the language of nuclear deterrence theory, disruption in these sea lanes implies mutually assured economic destruction, and that possibility should moderate the behavior of all participants. Furthermore, with the United States continuing to operate from a position of naval strength (or at least managing a broader alliance that collectively balances China’s naval presence in the future), the sea lanes will remain open. While small military disputes within such a balance of power are, of course, possible, the economic risks of extended conflict are so great that significant changes to the status quo are unlikely.

# 2NC

## CP

### 2NC Conditionality Good – C/I Less Advocacies

#### We should get \_\_ conditional advocacies

#### A) They destroy cost benefit analysis ---Limiting the neg to 1 advocacy artificially insulates the aff from defending against multiple competitive options when constructing policies.

#### B) Key to tactical choices---forces the 2ac to recognize and respond to strategic interactions---critical skill for practical advocacy defense because of the inevitability of strategic opponents---solves time and strat skew

#### C) Advocacy construction---makes the aff consider all opportunity-costs to a proposal-- inability to simultaneously defend against a variety of proposals props up bad affs that should lose in the free market of ideas

#### D) Err neg---2ar persuasion, aff picks the focus of the debate, the topic is huge, and the 2nr has to answer theory and substance while the 2ar can pick

#### E) Don’t vote on theory---causes substance crowd-out and incentivizes cheap-shot theory args based on marginal differentials---just because debate could be better doesn’t mean we should lose.

#### Dispositionality doesn’t solve---the neg can add uncompetitive planks to force permutation. It also doesn’t solve any of our standards.

## Politics

### Turns Case

#### Outweighs and turns case---immediate sequestration cuts gut military superiority----Hunter says that collapses deterrence and causes nuclear wars in a laundry list of global hotspots.

Faster timeframe means you err neg because intervening actors are more likely to solve their impacts.

#### Hegemony solves extinction and controls escalation of all their wars

Thomas P.M. Barnett 11 Former Senior Strategic Researcher and Professor in the Warfare Analysis & Research Department, Center for Naval Warfare Studies, U.S. Naval War College American military geostrategist and Chief Analyst at Wikistrat., worked as the Assistant for Strategic Futures in the Office of Force Transformation in the Department of Defense, “The New Rules: Leadership Fatigue Puts U.S., and Globalization, at Crossroads,” March 7 http://www.worldpoliticsreview.com/articles/8099/the-new-rules-leadership-fatigue-puts-u-s-and-globalization-at-crossroads

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. That is what American "hubris" actually delivered. Please remember that the next time some TV pundit sells you the image of "unbridled" American military power as the cause of global disorder instead of its cure. With self-deprecation bordering on self-loathing, we now imagine a post-American world that is anything but. Just watch who scatters and who steps up as the Facebook revolutions erupt across the Arab world. While we might imagine ourselves the status quo power, we remain the world's most vigorously revisionist force. ¶ As for the sheer "evil" that is our military-industrial complex, again, let's examine what the world looked like before that establishment reared its ugly head. The last great period of global structural change was the first half of the 20th century, a period that saw **a death toll of about 100 million across two world wars**. That comes to an average of 2 million deaths a year in a world of approximately 2 billion souls. Today, with far more comprehensive worldwide reporting, researchers report an average of less than 100,000 battle deaths annually in a world fast approaching 7 billion people. Though admittedly crude, these calculations suggest a 90 percent absolute drop and a 99 percent relative drop in deaths due to war. We are **clearly headed for a world order characterized by multipolarity**, something the American-birthed system was designed to both encourage and accommodate. But given how things turned out the last time we collectively faced such a fluid structure, we would do well to keep U.S. power, in all of its forms, deeply embedded in the geometry to come.

#### Hunter ev says it turns all of case:

* Iran
* China
* All wars

#### Debt ceiling collapses the recovery---turns case because it decks investment

Masters 12 Jonathan is an online writer for the Council on Foreign Relations. “U.S. Debt Ceiling: Costs and Consequences,” Dec 6, http://www.cfr.org/international-finance/us-debt-ceiling-costs-consequences/p24751

Most **economists**, including those in the White House and from former administrations, **agree that the impact of an outright government default would be severe.** In 2011, Federal Reserve Chairman Ben Bernanke labeled a U.S. default a "recovery-ending event" that would likely spark another financial crisis. But short of default, officials warn that legislative delays in raising the debt ceiling could also inflict significant harm on the economy.¶ Many analysts say congressional gridlock over the debt limit will likely sow significant uncertainty in the bond markets and place upward pressure on interest rates. Rate increases would not only hike future borrowing costs of the federal government, but would also raise capital costs for struggling U.S. businesses and cash-strapped homebuyers. In addition, rising **rates could divert** future taxpayer **money** away **from much-needed federal investments** in such areas as infrastructure, education, and health care.

#### Turns SCS war

Cheng 8/2 Dean is a Research Fellow in the Asian Studies Center at the Heritage Foundation. "South China Sea Tensions Reflect Danger of Defense Budget Cuts," 2012, http://www.heritage.org/research/reports/2012/08/south-china-sea-tensions-reflect-danger-of-defense-budget-cuts

In recent months, **tensions have risen in the South China Sea as** the ongoing **territorial disputes** between various Southeast Asian states and the People’s Republic of China **have** begun to boil. An April speech by Chinese Defense Minister Liang Guanglie stating that the South Sea Fleet would be the vanguard of major new missions makes recent developments even more ominous. This situation raises real stakes for the United States, especially in the context of ongoing and potentially accelerating cuts to the defense budget.¶ Increasing Chinese Pressure¶ China has been steadily increasing pressure on its neighbors in the ongoing South China Sea dispute, employing a variety of means. In March, Chinese and Philippine fishing vessels converged on the disputed Scarborough Shoal, reinforcing each side’s claim to the area. Thinking they had a bargain to de-escalate the conflict, the Philippines pulled out its ships. Although the Chinese did not deploy naval ships to the waters, Chinese fishing boats and civilian law enforcement vessels remained, despite an announced Chinese fishing ban on the area.¶ At the same time, the Chinese ratcheted up the pressure on Manila by discouraging tourism and imposing additional “inspections” on imports of Philippine bananas. Chinese foreign ministry spokespeople regularly mentioned the Scarborough Shoal in order to remind Manila that the Chinese saw this as a high-profile issue.¶ Then, in June, the China National Offshore Oil Company announced that it was opening nine new blocks in the South China Sea to bids for exploration and development. All of these blocks are in disputed waters directly off Vietnam’s coast, in some cases within 100 nautical miles of Vietnam’s shores. A few days later, the Chinese ministry of defense announced that it was preparing to start regular naval patrols in the waters around the Spratly Islands, which are claimed by not only China but Brunei, Malaysia, the Philippines, Taiwan, and Vietnam.¶ Meanwhile, Beijing also exerted heavy pressure on the Association of Southeast Asian Nations (ASEAN) at its annual meeting to reject any statement regarding the South China Sea. Efforts to characterize discussion of the conflict between China and the Philippines led to “unprecedented discord” within ASEAN. “The row illustrated how Southeast Asian nations have been polarised by China’s rapidly expanding influence in the region.”[1] Consequently, for the first time in ASEAN’s 45-year history, no joint communiqué was issued, raising real concerns that the regional organization was in disarray due to Chinese pressure.¶ This was then followed by the announcement that the Nansha (Spratlys), Xisha (Paracels), and Zhongsha (Macclesfield Bank) territories would all be administered by a new, prefectural-level political entity called Sansha City (Sansha is literally “three sands,” referring to the three “sha” of the disputed territories). This new political entity is higher than the previous city-level entity that had informally administered these territories. Even more worrisome, the new Sansha prefecture has a military garrison headed by a senior colonel (brigadier general equivalent).[2] Coupled with an earlier announcement that the PLA would now be mounting regular combat-ready patrols of the Spratlys, it would appear that **Beijing is prepared to militarize its claims** within the so-called “nine-dash line.”[3]¶ Growing Regional Chinese Military Capabilities¶ For Beijing, the two decades of nearly unbroken double-digit increases in the People’s Liberation Army (PLA) defense budget provides them with additional military tools with which to underscore China’s claims to the region. For most of the 1990s and 2000s, the focus of the PLA was on Taiwan. Consequently, the best forces tended to be deployed to the Nanjing military region (MR) opposite the island.¶ As the resources available to the PLA have continued to flow, however, other parts of the PLA have benefited as well. While many analysts have tended to focus on the acquisition of certain new capabilities such as anti-ship ballistic missiles and the addition of a new aircraft carrier (now undergoing sea trials) and have raised concerns with them in association with a Taiwan contingency, the increased largesse has also been reflected in modernization of other portions of the PLA.¶ This extends to the Guangzhou MR, which is believed to have responsibility for the South China Sea region. A portion of China’s Su-27 fighter fleet, for example, is believed to be assigned to the Guangzhou MR Air Force. The Guangzhou MR has also seen a steady growth in infrastructure, including submarine tunnels on Hainan Island, as well as an array of airbases. (Indeed, in the 2001 EP-3 incident, the U.S. aircraft made an emergency landing at one such base.) Other reports suggest that new rocket artillery systems have been deployed with some units in the Guangzhou MR.[4]¶ More worrisome, senior PLA commanders have hinted that the Guangzhou MR will have additional serious responsibilities and have praised its crisis-response capacities. In April, Chinese defense minister Liang Guanglie praised the MR for its efforts at littoral defense and defense mobilization work. He then stated that the MR will play a leading role in future vital missions (zai zhongda renwu zhong dang jianbing, 在重大任务中当尖兵).[5]¶ In some ways, the Guangzhou MR is the central repository of China’s forced entry capabilities. Both of China’s two marine brigades are assigned to the South Sea Fleet, which is part of the Guangzhou MR. Similarly, the PLA Air Force’s (PLAAF) three airborne divisions are all believed to be based in the Guangzhou MR (but are controlled by the PLAAF, not the MR).¶ American Responses¶ It is in the American interest to help keep the peace in this area, especially as the economic lifelines of such key allies as Japan, South Korea, and Taiwan all transit the waters. The loud statements of a U.S. “pivot” to Asia would seem to have provided an opportune moment for underscoring U.S. ability to maintain regional stability.¶ Yet despite claims by Secretary of Defense Leon Panetta that more than half of the U.S. Navy would be stationed in the western Pacific, the reality is far more thread-bare. Half the U.S. carrier fleet is currently centered on the Middle East,[6] Meanwhile, there is only one carrier currently assigned to the Seventh Fleet in the western Pacific.¶ And this is before further budget cuts hit.¶ Sequestration, with its imposition of another half-trillion dollars in additional cuts atop those already programmed, will clearly hollow out American ability to maintain substantial presence in the western Pacific. The budget slashes, made without regard to strategy, will affect every part of the U.S. military, from training and logistics to operations and maintenance to acquisition and R&D. The PLA can only hope for such opportunities.

#### Sequestration cuts obliterate readiness and cause cuts to BMD and our Nuclear Deterrent­---that collapses overall hegemony

Reuters 11 "Defense Secretary Warns of Consequences of Budget Cuts" www.usnews.com/news/articles/2011/11/15/defense-secretary-warns-of-consequences-of-budget-cuts, 11/15

"Such a large cut, applied in this indiscriminate manner, would render most of our ship and construction projects **unexecutable** -- you cannot buy three-quarters of a ship or a building," Panetta wrote.¶ "We would also be forced to separate many of our civilian personnel involuntarily and, because the reduction would be imposed so quickly, we would almost certainly have to furlough civilians in order to meet the target," he added, saying that such a move would "seriously damage" military readiness.¶ Over the longer run, the Pentagon would have to impose cuts that could lead to termination of the F-35 Joint Strike Fighter, the military's largest procurement program, which aims to buy 2,447 of the radar-evading fighter jets in the coming decades.¶ The cuts also could force the Pentagon to **end its European missile defense program**, terminate its new littoral combat ship, end all ground combat vehicle modernization programs and kill Army helicopter modernization efforts, Panetta wrote.¶ The cuts also could **affect the U.S.** nuclear deterrent. Panetta said the spending limits could force the Pentagon to **delay its next-generation ballistic missile submarine** and **get rid of its intercontinental ballistic missiles** -- two systems maintained to ensure deliver of nuclear weapons if needed.¶ Reacting to Panetta's letter, McCain and Graham said the forced cuts would "set off a swift decline of the United States as the world's leading military power."¶ "We are staunchly opposed to this draconian action. This is not an outcome that we can live with, and it is certainly not one that we should impose on ourselves," they wrote.

#### Declining nuclear deterrent causes global nuclear wars

Caves 10 – John P. Caves Jr., Senior Research Fellow in the Center for the Study of Weapons of Mass Destruction at the National Defense University, January 2010, “Avoiding a Crisis of Confidence in the U.S. Nuclear Deterrent,” Strategic Forum, No. 252

Perceptions of a compromised U.S. nuclear deterrent as described above would have profound policy implications, particularly if they emerge at a time when a nuclear-armed great power is pursuing a more aggressive strategy toward U.S. allies and partners in its region in a bid to enhance its regional and global clout. A dangerous period of vulnerability would open for the United States and those nations that depend on U.S. protection while the United States attempted to rectify the problems with its nuclear forces. As it would take more than a decade for the United States to produce new nuclear weapons, ensuing events could preclude a return to anything like the status quo ante. The assertive, nuclear-armed great power, and other major adversaries, could be willing to challenge U.S. interests more directly in the expectation that the U**nited** S**tates** would be less prepared to threaten or deliver a military response that could lead to direct conflict. They will want to keep the U**nited** S**tates** from reclaiming its earlier power position. Allies and partners who have relied upon explicit or implicit assurances of U.S. nuclear protection as a foundation of their security could lose faith in those assurances. They could compensate by accommodating U.S. rivals, especially in the short term, or acquiring their own nuclear deterrents, which in most cases could be accomplished only over the mid- to long term. A more nuclear world would likely ensue over a period of years. Important U.S. interests could be compromised or abandoned, or a major war could occur as adversaries and/or the U**nited** S**tates** miscalculate new boundaries of deterrence and provocation. At worst, war could lead to state-on-state employment of weapons of mass destruction (WMD) on a scale far more catastrophic than what nuclear-armed terrorists alone could inflict.

#### US military superiority encourages peaceful Chinese rise

Christensen 9 (Thomas J. Christensen, Professor of Politics and International Affairs and Director of the China and the World Program, which is a joint venture between Princeton and Harvard Universities, deputy assistant secretary of state for East Asian and Pacific Affairs 2006-2008, July 2009, “Shaping the Choices of a Rising China: Recent Lessons for the Obama Administration”, <http://www.twq.com/09july/docs/09jul_Christensen.pdf>)

What does China want and what does the United States want from China? There is a broad national consensus within China across diverse segments of society and different intellectual orientations that the nation should increase its power and influence on the international stage. The key question is what mix of policies China should use to increase that influence: economic growth and greater integration with regional and global economies; diplomatic activism designed to reassure China’s nervous neighbors and help solve regional and global problems; and/or military coercion against actors with whom China has been brewing territorial or political disputes? China’s answers to these questions will have enormous repercussions for the region and the world. The United States can best influence these choices by maintaining the current two-pronged strategy: a strong U.S. presence in Asian security and political affairs to discourage the use of coercion by China when resolving its disputes, and active diplomatic engagement to encourage China to seek greater influence through constructive economic and diplomatic policies. First, by maintaining a strong U.S. security presence in Asia in the form of U.S. forces and bases along with a network of strong alliances and non-allied / security partnerships, the United States makes it difficult for experts, advisors, and decisionmakers within China to advocate the use of coercive force against Taiwan or other regional actors as an inexpensive and effective way for Beijing to address its problems. The term ‘‘hedging’’ is often used, even in official government documents, to describe this role of the U.S. security presence. The term has some validity, but it does not fully capture the role that U.S. regional power plays. Hedging implies that the U.S. presence will only be useful if diplomatic engagement fails to convince a rising China to avoid belligerence. In fact, the maintenance of U.S. military superiority in the region, properly considered, is an integral part of that broader engagement strategy and makes diplomatic engagement itself more effective. The military strength of the United States and its allies and security partners in Asia complements positive U.S. diplomacy by channeling China’s competitive energies in more beneficial and peaceful directions.

#### Only the US can power project to balance Iran

Brookes 8 (Peter Brookes, Senior Fellow for National Security Affairs at The Heritage Foundation. He is also a member of the congressional U.S.-China Economic and Security Review Commission, Heritage, Why the World Still Needs America's Military Might, 11/24/08, http://www.heritage.org/Research/NationalSecurity/hl1102.cfm)

And who will provide balance to Iran's rise in the Middle East? It's my view that Iran has grand ambitions for itself, including regional hegemony, attempting to exert its influence across the Middle East from the Persian Gulf to the Mediterranean Sea. Which country's military is capable of projecting sufficient power into that part of the world to prevent such a potentially destabilizing turn of events? Only the United States. The same is true for the U.S.-NATO operations in Afghanistan and Coalition operations in Iraq today. Few--if any--countries today could sustain power-projection operations for so long so far from their shores.

#### The politics link turns the whole case---anti-China backlash destroys investment and relations

Benjamin Shobert 12, founder and managing director of Rubicon Strategy Group, a Seattle-based company focused on strategy for companies entering emerging economies, member of the National Committee on US-China Relations, 10/1/12, “Commentary: National Policies Kick the Wind out of Local Efforts to Attract Chinese Investment,” http://contextchina.com/2012/10/commentary-when-national-policies-kick-the-wind-out-of-state-and-local-efforts-to-attract-chinese-investment/

The question of whether last week’s decision by President Obama was a matter of national security — or national politics — is one some in the clean-tech sector are now asking. Pete Danko noted that if the project had continued, Ralls would have qualified for a $25 million tax credit. Danko wondered aloud in his analysis last week whether, “With his opponent talking tough on China these days, did President Obama really want to allow a wind farm near a military installation to go into Chinese ownership – with the possibility that all four wind farms (small though they might have been) might use Chinese components? And then the developer would be rewarded with a $25 million check from the U.S. Treasury when it was all done?” If this was politics, it shows how the most savvy and sophisticated state-level economic development can be undercut by national jockeying during an election.

Last week, Toledo Mayor Mike Bell sounded an exasperated note on how the Presidential election was wreaking havoc on his efforts to attract Chinese investments. The same day Bell had dozens of potential Chinese investors in Toledo, both President Obama and GOP nominee Mitt Romney found their way to the area with their China rhetoric in tow. Bell’s frustration was obvious: “If I compare it to a farmer trying to grow a crop, it is just as if it was time to harvest and someone drives a car through the field.”

The temptation is to view last week’s decision as part of American politics without an appreciation of what conclusions Chinese firms will draw from the Obama Administration’s stance on the Oregon wind farm. No matter how energetic state officials are in pursuing Chinese investment, if national politics continue to make China the centerpiece of America’s economic insecurities, China’s investment behavior will adjust away from America towards other parts of the world more accommodating. Not only will America lose out on possible Chinese investments, China will likely retaliate in its own ways, making it even more difficult for the two countries to work together precisely when coordinated action on divergent economic and geo-political matters is so critical.

### 2NC---Will Pass

#### 1NC Klein ev is better---future predictive---Obama will be able to beat them with PC---future predictive

#### GOP compromise likely---laundry list of reasons---otherwise we’ll hit the ceiling

Klein 1/2 Ezra is a politics writer for the Washington Post. “Calm down, liberals. The White House won.” 2013, http://www.washingtonpost.com/blogs/wonkblog/wp/2013/01/02/calm-down-liberals-the-white-house-got-a-good-deal-on-the-fiscal-cliff/?wprss=rss\_ezra-klein

All arguments, on all sides of the issue, come down to the debt ceiling. The liberals just don’t believe the White House can hold firm against the GOP’s threats to push the country into default. The conservatives, well, they believe the exact same thing. I disagree. As I see it, there are now three possible outcomes in the debt-ceiling fight:¶ 1) The White House is right, and they’ll be able to enforce a roughly 1:1 ratio of tax increases to spending cuts in the next deal;¶ 2) The Republicans are right, and they’ll be able to get major spending cuts solely in return for raising the debt ceiling;¶ 3) Both sides are wrong, and we breach the debt ceiling, unleashing economic havoc.¶ Of these three possibilities, I see #1 as the likeliest, #3 as the second-most likely, and #2 as vanishing unlikely. That is to say, I think it’s far more plausible that we breach the debt ceiling than that the White House agrees to raise the debt ceiling as part of a deal that includes huge spending cuts but no significant tax increases. But likelier than either outcome is that Republicans agree to a deal that includes revenue-generating tax reform. Here’s why.¶ First, Republicans make a big show of being unreasonable, but they’re not nearly as crazy as the tea party would have you believe. In the end, they weren’t even willing to go over the fiscal cliff. The debt ceiling would do far more damage to the economy than the fiscal cliff, and Republicans would receive far more of the blame. Many thought President Obama actually wanted to go over the fiscal cliff in order to raise taxes, and so it was possible Republicans could’ve portrayed the breakdown in negotiations as a Democratic strategy. No one thinks that the White House wants to breach the debt ceiling, and so Republicans will take all the blame.¶ Second, there’s no evidence yet that the Republicans will even be able to name their price on the debt ceiling. House Speaker John Boehner has his dollar-for-dollar principle, which implies more than a trillion dollars in cuts to raise the debt ceiling through 2014. But Republicans haven’t named anywhere near a trillion dollars of further cuts in any of the fiscal cliff negotiations. They’ve been afraid to take direct aim at Social Security and Medicare, and while they can call for deep cuts to Medicaid, everyone knows that’s a nonstarter for the White House in the age of Obamacare. Meanwhile, domestic discretionary spending has already been cut to the bone, and Republicans want to increase defense spending. So what’s their demand going to be, exactly? Will they force America into default on behalf of spending cuts they can’t name?¶ Third, a consequence of the 2012 presidential election, in which Mitt Romney argued for capping deductions and exclusions to pay for his tax cuts, and of the early fiscal cliff negotiations, in which Boehner argued for raising revenue through tax reform, is that Republican policy elites, in my experience, really don’t hate revenue-raising tax reform all that much. Raising any revenues is a bit of a problem for them as it permits the growth of government, but it’s really raising tax rates where they’ve talked themselves into hardline opposition. So **they may be willing to strike a deal** on this.¶ Fourth, I don’t think the White House has a shred of credibility when they say they won’t negotiate over the debt ceiling. They may not call what they’re about to do negotiating over the debt ceiling, but that’ll be what they’re doing. That said, I’m quite convinced that they don’t intend to be held hostage over the debt ceiling. As a former constitutional law professor, the president sees himself as a steward of the executive branch and is deeply hostile to setting the precedent that congressional minorities can hold presidents hostage through the debt ceiling. At some point in the coming talks, Boehner or McConnell or both are going to realize that the White House really, seriously will not accept a bargain in which what they “got” was an increase in the debt limit, and so they’re going to have to decide at that point whether to crash the global economy.¶ Fifth, the constellation of economic interest groups that converge on Washington understands the debt ceiling better than they did in 2011, are becoming more and more tired of congress’s tendency to negotiate by threatening to trigger economic catastrophes, and is getting better at knowing who to blame. It’s not a meaningless sign that John Engler, the former Republican Governor of Michigan who now leads the Business Roundtable, called for a five-year solution to the debt ceiling. ¶ It’s worth keeping this in perspective: All it means is that the White House can potentially demand a perfectly reasonable compromise of one dollar in revenue-generating tax reform for every dollar in spending cuts. When you add in the fiscal cliff deal, and the 2011 Budget Control Act, that’ll still mean that the total deficit reduction enacted over the last few years tilts heavily towards spending, particularly once you account for reduced war costs. ¶ But that is, arguably, another reason that the White House isn’t in such a bad position here: They’ve set up a definition of success that will sound reasonable to most people — a dollar in tax reform for a dollar in spending cuts — while the Republicans have a very unreasonable sounding definition, in which they get huge cuts to Medicare or they force the United States into default. So while it’s possible that the White House will crumble, rendering itself impotent in negotiations going forward, and while it’s possible that the we’ll breach the debt ceiling, **both possibilities seem less likely than Republicans agreeing to a deal** that pairs revenue-generating tax reform with spending cuts.

#### Will pass---Obama will push hard and leverage the public

The Hill 1/6 Niall Stanage and Amie Parnes. “Obama to draw on public support in next round of economic battles with GOP,” 2013, http://thehill.com/homenews/administration/275759-obama-will-draw-on-public-support-in-negotiating-with-gop

President Obama intends to take a **confrontational approach** with Republicans in future economic battles by using the same campaign-style events the White House saw as effective in the “fiscal-cliff” fight. Many in Obama’s party believe that **he got the upper hand** in the recent deal to avoid the mixture of across-the-board tax hikes and spending cuts, and that **the aggressive approach helped build his public case.** Sources close to Obama say he can fend off Republicans for several reasons: his successful **reelection;** polling suggesting **public support** for many of his positions; **and division among Republicans** on Capitol Hill.

#### Obama will prevail in debt ceiling negotiations now because of political capital

Epstein 1/4 Reid is a writer at Politico. “Obama's debt ceiling gambit,” 2013, NJ.com, http://www.nj.com/us-politics/index.ssf/2013/01/obamas\_debt\_ceiling\_gambit.html

The fiscal cliff deal is two days old, and the conventional wisdom is already hardening: President Barack Obama won this round, but Republicans claim the upper hand in the next one.¶ And **that's why Obama wasted no time** this week **framing the looming debt limit fight.**¶ (Also on POLITICO: Source: Geithner to leave by month's end)¶ The consequences of failing to extend the country's borrowing limit are catastrophic, the president said just after the House vote on Tuesday, and he simply won't negotiate over it.¶ **Obama's success rests on a strategy that** **served him during** both his 2012 campaign and **the** high-stakes **fiscal cliff** talks: define his opponents early and drive up public opinion in his favor.¶ He will cast Republicans as reckless as they pursue steep cuts to popular entitlement programs in exchange for a debt limit increase. White House officials don't view the sell as a difficult lift because, as they see it, Republicans are threatening to topple the world economy to slice benefits for elderly Medicare recipients -- not exactly a winning message, Obama aides snicker.¶ The president is likely to follow the playbook of the fiscal cliff fight and almost every other major policy battle over the past 18 months, initiating a campaign to persuade voters and mobilizing small businesses, labor unions, corporate America and Wall Street to exert pressure on lawmakers.¶ (Also on POLITICO: Health care guide to debt limit battle)¶ But reality won't be as clear as his no-negotiating rhetoric suggests. His decision to accept a two-month delay in across-the-board spending cuts known as the sequester -- which comes due at the same time as the debt limit -- guarantees that he'll have to enter into talks with Republicans.¶ Republicans insist they're on the right side of public opinion in this round, citing a CBS News poll last month that 68 percent of Americans don't want the debt limit raised. After agreeing to $620 billion in tax revenue to avert the fiscal cliff, congressional Republican leaders claim they will accept nothing less than a dollar in cuts for every dollar increase in borrowing authority.¶ "The president liked to point out on the campaign trail that most Americans supported the idea of taxing the rich," Senate Minority Leader Mitch McConnell (R-Ky.) said Thursday on the Senate floor. "What he conveniently left out is that even more Americans support the idea of cutting spending."¶ (Also on POLITICO: Obama's debt problem)¶ What remains unclear is whether either party truly believes that the other will allow the country to default on its obligations -- an outcome that top Republicans and Democrats say would be devastating. But the entrenched positions ensure that, at the very least, the debt limit fight could make the fiscal cliff standoff look tame.¶ "In many ways that may be harder because we gotta get some spending under control," Senate Minority Whip John Cornyn (R-Texas) said. "And that's something the president talks a lot about, but he never seems to be willing to engage in it."¶ Obama won't negotiate over the debt limit, aides say, because he is determined to break the cycle of using the country's borrowing limit as a bargaining chip.¶ "I will not have another debate with this Congress over whether or not they should pay the bills that they've already racked up through the laws that they passed," Obama said. "Let me repeat: We can't not pay bills that we've already incurred. If Congress refuses to give the United States government the ability to pay these bills on time, the consequences for the entire global economy would be catastrophic -- far worse than the impact of a fiscal cliff."¶ (Also on POLITICO: Toomey: No revenue in debt deal)¶ The challenge is how Obama separates the sequester from the debt limit in his negotiations with Congress.¶ He could attempt to limit the scope of the talks to the size of the sequester, which is roughly $1 trillion. But Obama has already said he wants as comprehensive of a deal as possible, so the total cost of a successful agreement could still make it appear, in the end, that he negotiated over the debt limit -- perpetuating the cycle he hopes to break.¶ Obama plans to insist that any deficit reduction deal, no matter the size, would need to be evenly divided between spending cuts and revenue. If Obama can achieve an equal split, he might able to persuade his party to go along with a big deal that makes substantial changes to cherished entitlement programs.¶ The White House is convinced that the president is playing the winning hand.¶ A Wall Street Journal/NBC News poll at the height of the last debt limit fight found a significant shift in attitudes once the public tuned in. In mid-July 2011, 38 percent of Americans said the debt ceiling should be raised, while 31 percent said it shouldn't. A month earlier, 39 percent opposed raising the debt limit and 28 percent favored it.¶ Polls also find that cutting Medicare and Social Security isn't a popular position.¶ But Democrats already sense they will be on the defensive in the upcoming fight. The party won a major political debate over hiking tax rates on wealthy families, and effectively sold that point to the public. Now that they've settled the dispute on rates, they're regrouping to figure out how best to make their tax arguments.¶ Unlike the White House, Senate Democrats did not want to agree to a two-month delay in the sequester because they feared it would give the GOP too much leverage in the debt-ceiling fight. And Democrats worry that Obama's decision to rule out invoking an obscure provision in the 14th Amendment and unilaterally pay the country's debts has weakened his hand.¶ Asked about the political fallout of the tax deal, Senate Majority Whip Dick Durbin (D-Ill.) said the party could still focus on limiting itemized deductions typically claimed by high-income earners or adding new taxes to fund infrastructure projects. And he said Democrats would insist that any debt-ceiling accord be balanced with revenue increases, though he was vague on the details.¶ "In terms of future tax reform, other taxes, and other sources of revenue, we have to keep an open mind if we're serious about the deficit," Durbin said. "The president is insistent that any future talks about deficit reduction include revenue. There will have to be some other aspect of it that's brought to the table, and if it isn't a rate increase, there are other ways."¶ But Republicans insist they won't go along on revenues, even though the last offer that House Speaker John Boehner (R-Ohio) made to Obama during the fiscal cliff talks included $1 trillion in new taxes, more than the $620 billion in the final deal.¶ Soon after the festive swearing in of new senators Thursday, McConnell launched a broadside against the president for not being serious about cutting spending and called on him to show courage.¶ McConnell said if Obama refuses to engage in the debate over spending cuts, the GOP will use its power to force the matter. He declared that the debate over revenue and taxes is now "over" and "off the table."¶ "He can either engage now to significantly cut government spending or force a crisis later," McConnell said, citing the need to slice health-care based entitlement programs.¶ Sen. John Thune of South Dakota, No. 3 in GOP leadership, said the dollar-for-dollar principle is one "that a lot of our members want to adhere to."¶ "We think it makes sense if you're going to raise the debt limit, that you ought to be addressing the debt," Thune said Thursday. "And the way you do that is you figure out ways to reduce spending by reforming many of these programs that are going to be driving spending particularly in the out-years."¶ Thune declared the tax issue "dealt with," saying the GOP is standing on much firmer ground now than it was during the fiscal cliff fight.¶ Not all Republicans think that strategy will work.¶ "If the Republican House thinks they're going to get a deal on entitlements as a result of getting a deal on the debt ceiling, they're foolish," said former Sen. Judd Gregg (R-N.H.), co-chair of the Campaign to Fix the Debt. "[Obama's] not about to do that and he knows that the Republican House isn't going to be able to push us into default."¶ But Chris Chocola, president of the Club for Growth, contends Republicans have public opinion on their side.¶ "Most Americans, if you ask them, want less debt, and it's clear that Obama and the Democrats want more," Chocola said. "If the Republicans can convincingly and confidently tell that story, I think that they can start to win the debate."¶ "But they have to be willing to shoot the hostage," he added. "They have to be willing to not raise the debt ceiling. I think Obama doesn't believe we'll do that and Republican leadership worries about what guys like you write. ... They have to be willing to say, 'We're not going there unless we put meaningful reforms in place.' The public at least on this one is kinda on their side."¶ But what the congressional Republicans lack is the bully pulpit that Obama has shown he's more than willing to use, just as he did on Tuesday night.

#### Obama will dominate debt ceiling negotiations now---fiscal cliff proves PC is key

Judis 1/3 John is a writer at The New Republic. “Obama Wasn’t Rolled. He Won!” 2013, www.tnr.com/blog/plank/111573/obama-didnt-get-rolled-the-fiscal-cliff-in-fact-he-won

Secondly, Obama scored a major political triumph by getting Republicans to agree to raise back tax rates on the wealthy. Since 1978, Republicans have focused their popular appeal on the premise that cutting taxes on the wealthy – and secondarily everyone else -- will encourage growth. By putting Republicans in a position where, in order to protect tax cuts for the wealthy, they had to risk increasing taxes for everyone by letting the country go over the cliff, Obama and the Democrats robbed them of what has been their defining issue. They are now left with advocating spending cuts, which, as it turns out, are only popular in the abstract. In negotiating over the fiscal cliff, Obama also did something that he failed to do during the summer of 2011: He campaigned publicly. He framed the issues. **He put** the **Republicans on the defensive** in a way that he failed to do during much of his first term. Fifty years ago, perhaps, a Democratic president could have relied on constituent groups, led by the labor movement, to carry the battle for liberal initiatives, but while these groups are important, they don’t carry the same kind of clout they used to. And they don’t have the money to compete with Republican and conservative groups. But the President can command the public’s attention, and Obama did--right up through the final days of voting. There are arguments to be made about whether Obama got enough from the negotiations. Could he have held out for a $250,000 floor on increased tax rates? Perhaps, but he had to make some concession and he retained the central political principle, while keeping three-fourths of the promised revenue. More important, could Obama have gotten an agreement on the debt ceiling or the sequester instead of postponing these battles? That’s a more serious issue, but my sense is that with Republicans still controlling the House, Obama did not have the power to force Senate and House Republicans into a last minute deal on these issues without making very unfortunate concessions on spending and taxes. With a new House and Senate, Obama stands a good chance of winning these battles in the months to come -- if he continues to conduct these negotiations as political campaigns and not as backroom Washington affairs. The fiscal cliff deal took tax rates out of the discussion. What’s left are spending cuts. **If** **Obama allows the Republicans** and obnoxious groups like Fix the Debt **to frame the issues, he’ll be in trouble**. And he did seem to fall into this trap briefly when he proposed changing the cost of living index for Social Security. But if he reminds the public that what the Republicans and their allies want to do is cut their Medicare and Social Security, he and the Democrats should be in good shape. As for the Republicans, the debate over the fiscal cliff, like the debate last year over the debt limit, revealed serious divisions within the party and its rank-and-file that Obama and the Democrats could exploit over the next months. There are at least three different kinds of divisions that have become visible. First is between the Senate and the House. Senate Republicans, who are in a minority, have proven more amenable to compromise on fiscal issues. Unlike most Republican House members, many senators can’t count on being re-elected by solid Republicans majorities. McConnell himself comes from a state where Democrats still hold most of the state offices. Secondly, there is a regional division in the party between the deep South, which contains many of the diehard House Republicans, and the Republicans from the Northeast, industrial Midwest, and the Far West. In the House vote on the fiscal cliff, Republican House members from the deep South opposed it by 83 to 10, while Republicans from the Northeast favored it by 24 to one, and those from the Far West by 17 to eight. After the Republican leadership refused to bring a Sandy hurricane relief bill to the floor before the end of the session – effectively killing it – New York Republican Peter King called on New York and New Jersey Republicans to withhold donations to the GOP. New Jersey Governor Chris Christe blew his top at the House Republicans. Third, there is a division among Republican lobbies, political organizations and interest groups that surfaced in the wake of the election and once again this week. It’s not easy to define, but it runs between pro-business conservatives, on the one hand, and the right-wing libertarians of the Tea Party and Club for Growth and their billionaire funders. Grover Norquist and Americans for Tax Reform gave their approval the Senate bill. The Chamber of Commerce grudgingly endorsed the final bill, and the National Federation of Independent Business said the tax provisions were acceptable. The Club for Growth, the Koch Brothers’ Americans for Prosperity, FreedomWorks (which itself has fallen under the sway of its most ideological elements), and the Tea Party Patriots opposed any compromise. These divisions don’t necessarily augur the kind of formal split that wrecked the Whig Party in the 1850s. Nor do they suggest widespread defection of Republicans into the Democratic Party as happened during the 1930s. There is still far too much distance between, say, McConnell and Democratic Majority Leader Harry Reid. But they do suggest that a process of erosion is under way that will weaken the Republicans’ ability to maintain a united front against Democratic initiatives. That could happen in the debates over the sequester and debt ceiling if Obama and the Democrats make the kind of public fuss that they did over fiscal cliff.

### 2NC---PC Key

#### Obama must negotiate with the GOP---PC is key

Barbieri 12/31 Rich is a writer at CNN Money. “Debt ceiling is the next fiscal cliff,” 2012, http://money.cnn.com/2012/12/31/news/economy/debt-ceiling-fiscal-cliff/

No matter what happens with the fiscal cliff over the next few days, a potentially bigger budget mess is just around the corner.¶ Congress will have to raise the debt ceiling soon, probably by late February or early March.¶ The deadline sets the tables for another **fight on Capitol Hill**, where some Republican lawmakers view the debt limit as leverage in negotiations with President Obama over spending cuts and reforms to Medicare and Social Security.¶ The debt ceiling is a law that goes back to the early 1900s that caps how much debt the federal government can hold.¶ Last week, Treasury Secretary Tim Geithner warned Congress that federal borrowing would hit the $16.394 trillion debt ceiling on Monday.¶ Treasury can then buy the government about $200 billion of borrowing headroom by employing "extraordinary measures" -- such as not reinvesting federal workers' retirement contributions in short-term bonds. With the public debt increasing about $100 billion a month, that gives Treasury about two more months to borrow and stay under the cap.¶ Geithner ruled out "fire sale" sales of stock it still owns in companies bailed out during the financial crisis; he also said it made no sense to raise money by selling gold held in U.S. reserves.¶ Last year, political brinksmanship over the debt limit led to the downgrade of the country's credit rating, roiled stock markets and raised questions about the country's willingness to pay all of its bills on time.¶ In fact, the debt ceiling has long pitted Congress against the White House, regardless which party controls each branch of government.

### AT: Deal I/E

#### And, GOP would let default happen

Kurtz 1/1 Howard is a writer for the Daily Beast. “Obama Fiscal Cliff Victory Could Invite Years of Warfare With the GOP,” 2013, www.thedailybeast.com/articles/2013/01/01/obama-fiscal-cliff-victory-could-invite-years-of-warfare-with-the-gop.print.html

Of course, many Republicans aren’t going to want to jump over that cliff—a real one, as opposed to the artificial crisis that Congress created this time—but the party is in such disarray at the moment that anything is possible.

#### UQ doesn’t outweigh---brinksmanship is likely---negotiations will be critical because incentives aren’t aligned

Weisenthal 1/2 Joe is a writer for Business Insider. “The Analyst Who Nailed The Fiscal Cliff Is Not So Optimistic About What's Coming Up Next,” 2013, http://www.businessinsider.com/eurasias-sean-west-on-the-debt-ceiling-fight-2013-1

While Congress and the President averted the fiscal cliff, it provided little reason to believe the debt ceiling battle will be anything but **another round of brinksmanship**--and potentially an even nastier fight. On the fiscal cliff, everyone in Washington had a shared incentive to avoid an across the board tax increase and sequestration --and the pathway to a deal was still so ugly that most folks thought they would never get there. On the debt ceiling, incentives are not at all aligned. The President has an incentive to take the debt ceiling off the table for good as a Republican leverage point by refusing to negotiate on it; Republicans have an incentive to get the most out of Obama on spending cuts as possible while they have the leverage. It's too early to know exactly how it will shape up, but it's safe to say the cliff negotiation did not establish a new method of politics conducive to bipartisan deal making.

### 2NC---AT: Hagel Pounder

#### Hagel won’t be a fight---DC press analysis doesn’t reflect reality

Josh Marshall 1-6, editor of Talking Points Memo, 1/6/13, “Crack Pipe,” http://talkingpointsmemo.com/archives/2013/01/crack\_pipe\_1.php

I’m watching a lot of neoconservative policy activists and a lot of people in the press telling me that it’s a very up in the air thing whether Chuck Hagel gets confirmed as Secretary of Defense. These folks should stop smoking crack. Because crack isn’t good for you.

Maybe I’m just out of the loop because I’m not reporting aggressively myself. Or maybe — I think much more likely — I’m not in the same crack den with the rest of these good people so the air I’m breathing is clear and I know what is happening in the real world.

Will Republicans uniformly oppose a former member of their own caucus when the issues at stake are complaints that look comical when held up to the light of day? One who was one of the top foreign policy Republicans in the Senate? I doubt it.

Will Democratic senators deny a reelected President Obama his choice for one of the top four cabinet positions when he is quite popular and the expansion of their caucus is due in significant measure to his popularity? Please. Chuck Schumer will oppose the President? Not likely.

So I look forward to Republican crocodile tears on gay rights — seemingly in large part over something Hagel said in the 90s in support of the Senate Republican caucus’s efforts to pillory an openly gay nominee. And yes, perhaps it really will pave the way for a LGBT upsurge of support for Richard Grinnell for President in 2016. But I doubt it.

Otherwise, assuming President Obama nominates him tomorrow, get ready for a Hagel Pentagon.

#### Appointments don’t drain PC---empirics

Hutchinson 12/2 Earl Ofari, "Rice Nomination Fight Won't Drain President Obama's Political Capital, 2012, www.eurweb.com/2012/12/rice-nomination-fight-wont-drain-president-obamas-political-capital/

It won’t hurt him. All presidents from time to time face some backlash from real or manufactured controversies by opponents over a potential nominee to the Supreme Court, a cabinet or diplomatic post. In 2008, Obama faced backlash when he nominated Eric Holder as Attorney General. A pack of GOP senators huffed and puffed at Holder for alleged transgressions involving presidential pardons he signed off on as Clinton’s Deputy Attorney General. In the end he was confirmed. The mild tiff over Holder didn’t dampen, diminish, or tarnish Obama in his hard pursuit of his major first term initiative, namely health care reform.¶ This was true three years earlier when then President Bush nominated Condoleezza Rice for Secretary of State. Rice was slammed hard by some Democratic senators for being up to her eyeballs in selling the phony, conniving Bush falsehood on Iraq’s weapons of mass destruction. The threat to delay Rice’s confirmation in the Senate quickly fizzled out, and she was confirmed. This did not distract or dampen Bush in his pursuit of his key initiatives. There was not the slightest inference that in nominating Rice, and standing behind her in the face of Democrats grumbles about her would threaten his push of his administration’s larger agenda items.¶ Susan Rice will continue to be a handy and cynical whipping person for the GOP to hector Obama. But the political reality is that the legislative business that Congress and the White House must do never has been shut down by any political squabble over a presidential appointee. The fiscal cliff is an issue that’s too critical to the fiscal and economic well-being of too many interest groups to think that Rice’s possible nomination will be any kind of impediment to an eventual deal brokered by the GOP and the White House.¶ The Rice flap won’t interfere in any way with other White House pursuits for another reason. By holding Rice hostage to a resolution of the fiscal cliff peril and other crucial legislative issues, the GOP would badly shoot itself in the foot. It would open the gate wide to the blatant politicizing of presidential appointments by subjecting every presidential appointment to a litmus test, not on the fitness of the nominee for the job, but on whether the appointee could be a bargaining chip to oppose a vital piece of legislation or a major White House initiative. This would hopelessly blur the legislative process and ultimately could be turned against a future GOP president. This is a slippery slope that Democrats and the GOP dare not risk going down.¶ Rice will not be Obama’s only appointment at the start of his second term. He will as all presidents see a small revolving door of some cabinet members and agency heads that will leave, and must be replaced. There almost certainly will be another Obama pick that will raise some eyebrows and draw inevitable fire from either the GOP or some interests groups. Just as other presidents, Obama will have to weigh carefully the political fall-out if any from his pick. But as is usually the case the likelihood of any lasting harm to the administration will be minimal to nonexistent.

### 2NC---AT: Klein/PC Bad

#### Klein’s wrong---PC’s effective and key to the Presidential agenda

Seth Mandel 12, Assistant Editor of Commentary magazine; was a 2011 National Security Fellow at the Foundation for Defense of Democracies, 3/23/12, “Lessons of Presidential Persuasion: Be the Commander-In-Chief,” <http://www.commentarymagazine.com/2012/03/23/presidential-persuasion-commander-in-chief-obama-reagan-clinton/>

I want to offer Klein one more note of optimism. He writes:

Back-room bargains and quiet negotiations do not, however, present an inspiring vision of the Presidency. And they fail, too. Boehner and Obama spent much of last summer sitting in a room together, but, ultimately, the Speaker didn’t make a private deal with the President for the same reason that Republican legislators don’t swoon over a public speech by him: he is the leader of the Democratic Party, and if he wins they lose. This suggests that, as the two parties become more sharply divided, it may become increasingly difficult for a President to govern—and there’s little that he can do about it.

I disagree. The details of the deal matter, not just the party lines about the dispute. There is no way the backroom negotiations Clinton conducted with Gingrich over social security reform could have been possible if we had prime ministers, instead of presidents. The president possesses political capital Congress doesn’t. History tells us there are effective ways to use that capital. One lesson: quiet action on domestic policy, visible and audible leadership on national security.

### Link

#### 1NC Downs

AT: Schatz---stil want review

#### CFIUS restrictions are hugely popular in Congress---the plan’s political suicide

Benjamin Shobert 12, founder and managing director of Rubicon Strategy Group, a Seattle-based company focused on strategy for companies entering emerging economies, member of the National Committee on US-China Relations, 10/1/12, “Commentary: National Policies Kick the Wind out of Local Efforts to Attract Chinese Investment,” http://contextchina.com/2012/10/commentary-when-national-policies-kick-the-wind-out-of-state-and-local-efforts-to-attract-chinese-investment/

Ostensibly necessary because of national security concerns, the Obama Administration’s decision casts light on the uneasy balancing act between federal policies towards China and the local, state-level economic development strategies that emphasize pursuit of Chinese investment. When the Committee on Foreign Investment (CFIUS) finds a potential national security issue related to a foreign company’s proposed purchase of an American-owned asset, usually the company protests, but ultimately backs away from the proposed deal. The damage done when this happens is not only specific to the companies involved; many times it can undo years of work by the state and private business to build bridges with China. CFIUS has become a favorite tool for those in Congress distrustful of China. It has been used or threatened **multiple times in the past two years** across industries ranging from telecommunications to aviation and now clean-tech.

Across the country, governors and even mayors have bought tickets to China in an effort to convince Chinese business leaders and government officials to make investments in their cities and states. The reasons for this pursuit are obvious: most of these American officials anticipate the next phase of China’s outbound investment into the United States will follow a similar pattern as did Japan’s in the 80s. Consequently, governors and mayors are eager to put their region’s best foot forward and court the investments they expect China will soon make. The Rhodium Group, a New York based firm that tracks outbound Chinese investment in America and the Eurozone, announced last week that their analysis showed “majority-owned U.S. affiliates of Chinese companies directly support around 27,000 jobs in the United States today, up from fewer than 10,000 five years ago.”

The question of whether last week’s decision by President Obama was a matter of national security — or national politics — is one some in the clean-tech sector are now asking. Pete Danko noted that if the project had continued, Ralls would have qualified for a $25 million tax credit. Danko wondered aloud in his analysis last week whether, “With his opponent talking tough on China these days, did President Obama really want to allow a wind farm near a military installation to go into Chinese ownership – with the possibility that all four wind farms (small though they might have been) might use Chinese components? And then the developer would be rewarded with a $25 million check from the U.S. Treasury when it was all done?” If this was politics, it shows how the most savvy and sophisticated state-level economic development can be undercut by national jockeying during an election.

Last week, Toledo Mayor Mike Bell sounded an exasperated note on how the Presidential election was wreaking havoc on his efforts to attract Chinese investments. The same day Bell had dozens of potential Chinese investors in Toledo, both President Obama and GOP nominee Mitt Romney found their way to the area with their China rhetoric in tow. Bell’s frustration was obvious: “If I compare it to a farmer trying to grow a crop, it is just as if it was time to harvest and someone drives a car through the field.”

The temptation is to view last week’s decision as part of American politics without an appreciation of what conclusions Chinese firms will draw from the Obama Administration’s stance on the Oregon wind farm. No matter how energetic state officials are in pursuing Chinese investment, if national politics continue to make China the centerpiece of America’s economic insecurities, China’s investment behavior will adjust away from America towards other parts of the world more accommodating. Not only will America lose out on possible Chinese investments, China will likely retaliate in its own ways, making it even more difficult for the two countries to work together precisely when coordinated action on divergent economic and geo-political matters is so critical.

#### Congress continually demands more aggressive CFIUS restrictions

James K. Jackson 11, Specialist in International Trade and Finance, Congressional Research Service, 3/30/11, “Foreign Investment, CFIUS, and Homeland Security: An Overview,”

The President is generally seen as exercising broad discretionary authority over developing and implementing U.S. direct investment policy, including the authority to suspend or block investments that “threaten to impair the national security.” Congress is also directly involved in formulating the scope and direction of U.S. foreign investment policy. At times, some Members have urged the President to be more aggressive in blocking certain types of foreign investments. Such confrontations reflect vastly different philosophical and political views between Members of Congress and between Congress and the Administration over the role foreign investment plays in the economy and the role that economic activities should play in the context of U.S. national security policy. In July 2007, Congress asserted its own role in making and conducting foreign investment policy when it adopted and the President signed P.L. 110-49, the Foreign Investment and National Security Act of 2007. This law broadens Congress’s oversight role, and it explicitly includes the areas of homeland security and critical infrastructure as separately identifiable components of national security that the President must consider when evaluating the national security implications of a foreign investment transaction. At times, the act has drawn Congress into a greater dialogue over the role of foreign investment in the economy, and conflicts with the Administration over efforts to define the limits of the broad rubric of national economic security.

### AT: Agency Shields

#### Agencies don’t shield and no risk of a turn---Obama is velcro and will only get blamed---no credit

**Nicholas & Hook 10** Peter and Janet, Staff Writers---LA Times, “Obama the Velcro president”, LA Times, 7-30, http://articles.latimes.com/2010/jul/30/nation/la-na-velcro-presidency-20100730/3

If Ronald Reagan was the classic Teflon president, Barack **Obama is made of Velcro.¶** Through two terms, Reagan eluded much of the responsibility for recession and foreign policy scandal. In less than two years, Obama has become **ensnared in blame**.¶ Hoping to **better insulate Obama**, White House aides have sought to **give other Cabinet officials a higher profile** and additional public exposure. They are also crafting new ways to explain the president's policies to a skeptical public.¶ **But Obama remains the colossus of his administration** — to a point where trouble anywhere in the world is often his to solve.¶ The president is on the hook to repair the Gulf Coast oil spill disaster, stabilize Afghanistan, help fix Greece's ailing economy and do right by Shirley Sherrod, the Agriculture Department official fired as a result of a misleading fragment of videotape¶ What's **not sticking to Obama** is a legislative track record that his recent predecessors might envy. **Political dividends** from passage of a healthcare overhaul or a financial regulatory bill **have been fleeting**.¶ Instead, voters are measuring his presidency by a more immediate yardstick: Is he creating enough jobs? So far the verdict is no, and that has taken a toll on Obama's approval ratings. Only 46% approve of Obama's job performance, compared with 47% who disapprove, according to Gallup's daily tracking poll.¶ "I think the accomplishments are very significant, but I think most people would look at this and say, 'What was the plan for jobs?' " said Sen. Byron L. Dorgan (D-N.D.). "The agenda he's pushed here has been a very important agenda, but it hasn't translated into dinner table conversations."¶ Reagan was able to glide past controversies with his popularity largely intact. He maintained his affable persona as a small-government advocate while seeming above the fray in his own administration.¶ Reagan was untarnished by such calamities as the 1983 terrorist bombing of the Marines stationed in Beirut and scandals involving members of his administration. In the 1986 Iran-Contra affair, most of the blame fell on lieutenants.¶ Obama lately has tried to rip off the Velcro veneer. In a revealing moment during the oil spill crisis, he reminded Americans that his powers aren't "limitless." He told residents in Grand Isle, La., that he is a flesh-and-blood president, not a comic-book superhero able to dive to the bottom of the sea and plug the hole.¶ "I can't suck it up with a straw," he said.¶ But as a candidate in 2008, he set sky-high expectations about what he could achieve and what government could accomplish.¶ Clinching the Democratic nomination two years ago, Obama described the moment as an epic breakthrough when "we began to provide care for the sick and good jobs to the jobless" and "when the rise of the oceans began to slow and our planet began to heal."¶ Those towering goals remain a long way off. And most people would have preferred to see Obama focus more narrowly on the "good jobs" part of the promise.¶ A recent Gallup poll showed that 53% of the population rated unemployment and the economy as the nation's most important problem. By contrast, only 7% cited healthcare — a single-minded focus of the White House for a full year.¶ At every turn, Obama makes the argument that he has improved lives in concrete ways.¶ Without the steps he took, he says, the economy would be in worse shape and more people would be out of work. There's evidence to support that. Two economists, Mark Zandi and Alan Blinder, reported recently that without the stimulus and other measures, gross domestic product would be about 6.5% lower.¶ Yet, Americans aren't apt to cheer when something bad doesn't materialize.¶ Unemployment has been rising — from 7.7% when Obama took office, to 9.5%. Last month, more than 2 million homes in the U.S. were in various stages of foreclosure — up from 1.7 million when Obama was sworn in.¶ "Folks just aren't in a mood to hand out gold stars when unemployment is hovering around 10%," said Paul Begala, a Democratic pundit.¶ **Insulating the president from bad news has proved impossible**. Other White Houses have tried doing so with more success. **Reagan's Cabinet officials often took the blame, shielding the boss**.¶ But **the Obama administration is about one man**. Obama is the White House's chief spokesman, policy pitchman, fundraiser and negotiator. **No Cabinet secretary has emerged as an adequate surrogate**. Treasury Secretary Timothy F. Geithner is seen as a tepid public speaker; Energy Secretary Steven Chu is prone to long, wonky digressions and has rarely gone before the cameras during an oil spill crisis that he is working to end.¶ So, **more falls to Obama, reinforcing the Velcro effect: Everything sticks to him**. He has opined on virtually everything in the hundreds of public statements he has made: nuclear arms treaties, basketball star LeBron James' career plans; Chelsea Clinton's wedding.¶ Few audiences are off-limits. On Wednesday, he taped a spot on ABC's "The View," drawing a rebuke from Democratic Pennsylvania Gov. Edward G. Rendell, who deemed the appearance unworthy of the presidency during tough times.¶ "Stylistically he creates some of those problems," Eddie Mahe, a Republican political strategist, said in an interview. "His favorite pronoun is 'I.' When you position yourself as being all things to all people, the ultimate controller and decision maker with the capacity to fix anything, you set yourself up to be blamed when it doesn't get fixed or things happen."¶ A new White House strategy is to forgo talk of big policy changes that are easy to ridicule. Instead, aides want to market policies as more digestible pieces. So, rather than tout the healthcare package as a whole, advisors will talk about smaller parts that may be more appealing and understandable — such as barring insurers from denying coverage based on preexisting conditions.¶ But at this stage, it may be late in the game to downsize either the president or his agenda.

## Chinese Economy

### 1NC --- Ralls/Wind AC + Status Quo Solves Transparency

#### Obama just blocked a Chinese energy investment on CFIUS’ national security grounds --- freaks out Chinese investors in the short-term – but will ultimately cause greater CFIUS transparency, which solves the case

WSJ 10-2, Chinese-Owned Firm Sues Obama Over Wind-Farm Project, October 2, 2012, http://online.wsj.com/article/SB10000872396390444004704578032083846454200.html

WASHINGTON—The Chinese executives that President Barack Obama blocked from acquiring a wind-farm project in Oregon challenged the rare rejection with a lawsuit Monday alleging that the president acted unconstitutionally.¶ The suit faces an uphill path, but raises the question of whether presidential decisions should be subject to review by courts.¶ On Friday, the president effectively nullified the Chinese-owned Ralls Corp.'s purchase of four wind-farm projects next to a naval test facility in Oregon. He followed the recommendation in September of the Committee on Foreign Investment in the U.S., a panel comprising representatives of 16 government agencies and offices that scrutinizes the national-security implications of foreign investments.¶ The decision, coming in the midst of a presidential election which has seen both candidates jockey to appear tough on China, was the first time in more than 20 years that a president scuppered a proposed deal by a foreign buyer on national-security grounds. Nearly all proposed deals that raise security concerns at CFIUS are fixed or withdrawn before they reach the president's desk.¶ Ralls had challenged CFIUS in court before the president made his ruling. In a lawsuit filed last month, Ralls argued that CFIUS acted in an arbitrary manner by ordering the company to cease construction at the wind farms without revealing what the national-security concerns were or how they could be addressed.¶ In blocking the deal himself, Mr. Obama appeared to fend off that legal challenge, and made further legal action against the ruling seemingly hopeless.¶ But Ralls amended its complaint late Monday, arguing that the president exceeded his statutory authority by ordering Ralls to unwind its operation in Oregon. The company also alleged it was deprived of due process.¶ "CFIUS and the president acted in an unlawful and unauthorized manner," reads the amended complaint. "At no point has CFIUS ever provided or discussed with Ralls any evidence" related to the transaction's "supposed national-security risks," it said.¶ The Treasury Department plays a central role in the CFIUS determination process, and spokeswoman Natalie Wyeth Earnest said Tuesday that "We believe the lawsuit has no merit, and we intend to defend the case vigorously."¶ CFIUS approves most of the roughly 100 applications it reviews each year. It has never been seriously challenged in court. However, legal experts said some of Ralls's arguments do raise legitimate questions about how CFIUS operates, legal experts said.¶ For instance, companies that are "adversely affected" by the actions of a government agency have the right, under the Administrative Procedures Act, to judicial review. Ralls argues that companies injured by CFIUS rulings should have that same right.¶ However, the president is traditionally given wide latitude to decide matters relating to national security.¶ The suit is "a little bit of a Hail Mary. It's going to be interesting to see if there's a court that would take the view that the president's decision on something related to national security is something that ought to be second-guessed," said Farhad Jalinous, a trade lawyer at Kaye Scholer LLP in Washington.¶ But the filing of the lawsuit could embolden companies. Mr. Jalinous said that companies involved in negotiations with CFIUS might feel they have more leverage if legal action is an option. Conversely, at a time when the U.S. is seeking to attract more foreign investment, some experts think the lawsuit could prompt CFIUS to be more transparent about how it evaluates potential deals.¶ "CFIUS may take this to heart, to some extent, in terms of what they start coming back to companies with when they are really concerned about a transaction, in terms of being more transparent about the basis for the concerns," said Thad McBride, an international trade lawyer at Sheppard, Mullin, Richter & Hampton LLP in Washington.

### 2NC --- Ralls/Wind AC

#### --- Recent national-security related rejections overwhelm the case

WSJ 10-18 --- Failed U.S. Deals Stir Tensions With China, Wall Street Journal, 10-18-12, <http://online.wsj.com/article/SB10000872396390444592704578064990253875004.html>

A series of scuttled deals is rankling Chinese firms trying to invest in U.S. businesses and throwing fuel on an increasingly tense trade relationship between the world's two largest economies.

In the latest failed deal, Hawker Beechcraft Inc.'s plan to sell itself to a Chinese firm fell apart amid concerns about potential U.S. government national-security objections and difficulties separating its defense aerospace operations from other businesses, according to people familiar with the matter.

U.S. government hurdles also stymied other recent deals, including a Chinese firm's wind-power project in Oregon and the attempted sale of battery maker A123 Systems Inc. AONE -30.25% to a Chinese auto-parts manufacturer. Officials from Chinese telecommunications firms Huawei Technologies Co. and ZTE Corp. 000063.SZ +0.33% also are fuming over a congressional report that warned U.S. businesses against working with the two companies.

The troubled deals stand apart from a trend of steadily rising Chinese investment in the U.S. But they're occurring as the two major candidates for president are competing over who would be tougher on China and China's leadership is about to change, raising the perceived significance of each failure. The debate risks exacerbating trade tensions between the two countries and creating a backlash against U.S. corporations trying to invest in China.

Mei Xinyu, a researcher under the Ministry of Commerce's Chinese Academy of International Trade and Economic Cooperation, said the wind-farm decision undermines efforts by U.S. officials to court Chinese investors. "I don't know what signal [President] Obama is trying to give to foreign investors around the world. Maybe it is 'come to invest in the U.S. and you will end up pant-less and penniless,' " said Mr. Mei.

#### These rejections deter Chinese investors

AP, 10-23 --- “Chinese firm says U.S. rejection deters investment,” <http://ajw.asahi.com/article/asia/china/AJ201210230021>

BEIJING--The Chinese company has sued President Barack Obama for blocking its planned wind farm projects in Oregon accused the U.S. leader and his government of discrimination and **warned that the case would deter Chinese investment in the United States.**

Last month, Obama blocked Ralls Corp.'s plan to build four wind farms near a U.S. Navy base, after the Committee on Foreign Investment in the United States concluded it posed security risks. It was the first time a U.S. president stepped in to halt such a foreign business deal for national security reasons since 1990, when President George H.W. Bush scuttled the sale of a manufacturer to a Chinese agency.

Company bosses denied that the project posed security risks, said U.S. officials were discriminating against the firm because it was Chinese and filed a lawsuit against the U.S. government last month, adding Obama's name as a defendant earlier this month. U.S. officials have said the case has no merit and that they will "vigorously" defend against it.

Ralls Corp. CEO Wu Jialiang said at a Beijing news conference on Oct. 18 that his company "would never do anything that threatens U.S. national security."

Ralls is an associated enterprise of Sany Group, the largest construction machinery manufacturer in China. Sany said that Ralls purchased the Butter Creek wind farm project from a Greek electricity grid company with the development already approved and permits in hand.

Xiang Wenbo, a Sany director, said the company had agreed to transfer, relocate or remove the wind turbines after objections were raised, but they hadn't been allowed to. He said U.S. authorities had reached unfair conclusions, seized their property and assets and aren't to be reasoned with, likening their behavior to that of "thugs."

The case has handed Obama the opportunity to appear tough on Chinese interests during an U.S. election campaign in which both the president and his Republican challenger Mitt Romney have invoked China as a villain in their arguments about revitalizing the U.S. economy. Both have accused the other of policies that send jobs to China.

To consternation in China, a U.S. governmental report last week said Chinese telecom equipment makers Huawei Technologies Inc. and ZTE Corp. are potential security threats and recommended regulators block them from buying U.S. companies.

"I don't know really what signal President Obama and his administration wish to give to investors around the world," said Mei Xinyu, of the Ministry of Commerce's Institute of International Trade and Cooperation, who also spoke at the news conference. **"Maybe the signal is 'Come and invest in the U.S. and then you will end up penniless.'**"

### 1NC --- CFIUS Politicization Inevitable

#### Alternate causalities swamp the case --- a handful of other industries will still politicize the CFIUS national security standard

Susan W. Liebeler 93, a former chairman of the U.S. International Trade Commission, is a partner in the law firm of Irell & Manella. William H. Lash III is an assistant professor at St. Louis University School of Law, Exon-Florio: Harbinger of Economic Nationalism? Regulation, Vol. 16, No. 1, Winter 1993, www.cato.org/pubs/regulation/regv16n1/reg16n1d.html

Many members of Congress have pressured CFIUS to use Exon-Florio more widely for reasons having nothing to do with national security. Sen. Exon suggested that CFIUS could block an acquisition by Tokuyama Soda because of Tokuyama's role in a soda ash cartel. House majority leader Richard A. Gephardt has suggested that Exon-Florio can be used to protect ``American competitiveness,'' whatever that means. Investment in South Africa was raised as a reason for stopping BTR's bid for Norton. Citing a disturbing pattern of labor policies in South Africa, Rep. Ronald V. Dellums warned President Bush that allowing BTR to expand its U.S. operations would risk ``a potential backlash from African countries with whom the United States has vital political and economic interests.''¶ The problem is that Exon-Florio is a potential tool for a future administration to use in implementing a policy of economic nationalism. The statute and implemention regulations neither define national security nor provide a list of industries exempt from Exon-Florio scrutiny. National security can be stretched fairly thin. In the past clothespin, peanut, pottery, shoe, pen, paper, and pencil manufacturers have tried to justify government protection by invoking national security. Under another administration national security could be interpreted to encompass economic security. Changes in the political philosophy of future administrations could certainly result in a change in the makeup of CFIUS and the way Exon-Florio is administered.

#### They only affect coal and crude investment --- acquisitions in any other sector would still prompt Congressional calls for protectionism

### 1NC --- Chinese FDI High

#### Chinese FDI is high – across a range of industries – including oil and natural gas

Daniel H. Rosen 12, partner at the Rhodium Group, and Thilo Hanemann research director at the Rhodium Group, “The Rise in Chinese Overseas Investment and What It Means for American Businesses,” China Business Review, July-September 2012, https://www.chinabusinessreview.com/public/1207/rosen.html

China accounts for only a tiny share of total foreign direct investment in the United States, but the upward trend is clearly underway. A new assessment of FDI flows calculated by the Rhodium Group shows that Chinese firms are now operating in at least 37 of 50 states and have investments across a wide range of US industries. Chinese investment in the United States grew from less than $1 billion annually before 2008 to $2 billion in 2009 and $5 billion in 2010 (see Fig. 2). While fewer deals were made in the second half of 2011, dragging down the full year figure to $4.5 billion, investment picked up again in the first months of 2012. Several large scale acquisitions have already closed, for example Sinopec Shanghai Petrochemical Co.'s (Sinopec) $2.5 billion investment in five shale oil and gas fields owned by Oklahoma-based Devon Energy Corp. and the $2.6 billion acquisition of movie theater operator AMC Entertainment Holdings by China's Dalian Wanda Group Co. Several big manufacturing deals are also in the pipeline for 2012, such as Golden Dragon Precise Copper Tube Group, Inc.'s $100 million copper tubing plant in Alabama, and a massive $5 billion solar project by ENN Mojave Energy Corp. in Nevada. If the ENN deal goes through, it would be equivalent to all Chinese investment in the United States in 2011.

### 2NC --- Chinese FDI High

#### Chinese FDI in the US is at record levels – their “chilling effect” didn’t happen

Chen Weihua, 1-1-2013, “Investment in US hits record level for Chinese,” Asia News Network, http://www.asianewsnet.net/home/news.php?id=40841&sec=2

Chinese foreign direct investment (FDI) in the United States hit record levels in 2012 and shows little sign of slowing, despite lingering worries among some that the inflow of Chinese money presents a growing security risk to the country. Chinese companies concluded deals worth US$6.5 billion in 2012, an increase of 12 per cent from the record US$5.8 billion in 2010, according to a new report by New York-based Rhodium Group, which tracks Chinese FDI. Thilo Hanemann, Rhodium's research director, said he believes the result reflected both the growing determination of Chinese firms to expand overseas, and the attractiveness of US markets and assets to investors. The most appealing US sectors to Chinese investors were oil and gas exploration, advanced manufacturing that helps Chinese firms move up the value chain, and assets that allow investors to gain solid returns such as utilities, real estate and hospitality, according to the report. Headlining the year's activities were Dalian Wanda Group's US$2.6 billion acquisition of AMC Entertainment, the second largest US theatre operator, Sinopec Corp's US$2.5 billion investment in a third of Devon Energy's five shale gas assets in the US, and auto parts maker Wanxiang Group's US$420 million investment in GreatPoint Energy, a company based in Cambridge, Massachusetts, that converts coal into cleaner-burning natural gas. Meanwhile, a number of major Chinese FDI deals are still awaiting regulatory approval in the US, signaling that the growth is expected to continue into 2013.

#### Chinese oil and gas investments are high – despite CFIUS – they’ve adapted --- proves the backlash turn

WSJ 12 --- China Foothold in U.S. Energy, 3-6-12, http://webcache.googleusercontent.com/search?q=cache:qnxJVCUg4KgJ:online.wsj.com/article/SB10001424052970204883304577223083067806776.html+&cd=2&hl=en&ct=clnk&gl=us&client=firefox-a

Fu Chengyu's first attempt to buy a piece of the U.S. oil industry kicked up a storm of protest and ended in failure.Seven years later, the Chinese executive is pouring billions of dollars into the oil patch without even a whisper of trouble.¶ His new recipe for success: Seek minority stakes, play a passive role and, in a nod to U.S. regulators, keep Chinese personnel at arm's length from advanced U.S. technology.¶ Since 2010, Chinese companies have invested more than $17 billion into oil and gas deals in the U.S. and Canada, according to data provider Dealogic, giving their energy-thirsty nation a long-coveted foothold in a region known for innovative new drilling techniques. North America has become China's top region for oil and gas deals. Mr. Fu has been leading the push, first as chairman of China National Offshore Oil Corp., known as Cnooc, then as chairman of China Petrochemical Corp., called Sinopec, one of the largest oil companies in the world.¶ [COIL-p1]¶ The recent deals are nothing like Mr. Fu's audacious, unsuccessful bid for Unocal Corp. in 2005. They typically involve a Chinese firm paying upfront for a stake in an oil or gas field and agreeing to cover some drilling costs. Cnooc executives figured such joint ventures "might be a nonthreatening way to get back into America," says Aubrey McClendon, chief executive of Chesapeake Energy Corp., who struck a 2010 deal with Mr. Fu that marked the beginning of the Chinese investment surge. ¶ The deals address pressing needs for both sides. U.S. companies have developed revolutionary new ways to extract oil and gas, but they need lots of capital to make that happen. China's state-owned energy companies, for their part, have been scouring the globe for supplies of oil and gas to help power the nation's surging economy, and the knowledge to extract their own hard-to-tap reserves back home.

### 1NC --- Alternate FDI Hurdles

#### CFIUS is one of many hurdles to Chinese FDI – they don’t solve

Ting Xu 12, Bertelsmann Foundation, Dr. Thieß Petersen, Bertelsmann Stiftung, and Tianlong Wang, China Center for International Economic Exchanges (CCIEE), Cash in Hand, Bertelsmann Foundation, 2012, <http://www.bfna.org/sites/default/files/publications/Cash%20in%20Hand%20Second%20Edition%20final.pdf>

While the media has mostly concentrated on controversial Chinese FDI to the U.S. involving

CFIUS, it is important to point out that CFIUS only investigates and regulates foreign investors

that take control or purchase significant shares of existing U.S. businesses, and it does not have

jurisdiction over greenfield investment. In addition, CFIUS is not the only hurdle for FDI related to

national security concerns. For example, the National Industrial Security Program was established

in 1993 to safeguard industrial information held by contractors, licensees, and grantees of the

U.S. government that are critical to national security. In 2006, the Strategic Materials Protection

Board, composed of representatives from several offices in the Department of Defense, was created

to examine materials critical to national security and recommend strategy for the president to

ensure domestic availability of these materials. Their recommendation could prevent foreign

investment in business tied to critical material such as specific types of steel (Jackson 2010,

8) In additional, export-control regulations can have significant impact on a foreign company’s

acquisition investment in certain industries in the U.S. For example, the Export Administration

Regulations under the Commerce Department determine “dual–use” items, many of which are not

accessible for China; the International Traffic in Arms Regulations under the State Department

controls export or foreign transfer of U.S. Munitions List articles and services, which are currently

prohibited by law to be exported or re-exported to China; and the Office of Foreign Assets Control

under the Treasury Department manages sanctions programs, which make it illegal for any

foreign nationals in the U.S. or U.S. citizens abroad to facilitate trade or financial transactions

with a sanctioned country. These regulations further complicate Chinese investment in the U.S.,

because China itself is subject to many export-controlled businesses, and many of those countries

on the sanction list are the ones Chinese companies frequently trade with, such as Burma, Cuba,

and Iran. So when Chinese businesses attempt to acquire U.S. companies or make greenfield

investments in sensitive industries related to the aforementioned regulations, they are likely to

come under extra scrutiny by U.S. authorities.

### 1NC --- No Impact to CFIUS --- General

#### No impact --- CFIUS approves 99.9% of all transactions

Marchick 7 (David, partner at Covington & Burling, where he advises companies on the CFIUS process, “Swinging the Pendulum too Far: An Analysis of the CFIUS Process Post-Dubai Ports World,” Jan, http://www.nfap.net/researchactivities/studies/NFAPPolicyBriefCFIUS0107.pdf)

In the 18 years that Exon-Florio has been in force, there have been slightly more than 1700 CFIUS filings. Only one transaction has formally been blocked by the President — a 1990 aerospace investment by a Chinese company. From the data, one would think that CFIUS has merely been a rubber stamp, approving 99.9 percent of the acquisitions. The data belie actual practice, since tough restrictions are imposed by CFIUS as a condition for approval — typically through “mitigation” or “national security” agreements. In addition, parties typically will abandon a transaction in the face of a possible rejection rather than force the President to formally block a proposed acquisition. The public relations damage to a company if a President were to block an acquisition would be substantial.

### 1NC --- No Impact to CFIUS --- China-Specific

#### --- No impact to CFIUS --- deals are still going through

WSJ 10-18 --- Failed U.S. Deals Stir Tensions With China, Wall Street Journal, 10-18-12, <http://online.wsj.com/article/SB10000872396390444592704578064990253875004.html>

Still, the latest cases appear to be exceptions. Wanxiang Group signaled on Thursday that it planned a new offer for electric-car battery maker A123 Systems. Its original $465 million deal for 80% of the company fell apart amid congressional opposition. Few foreign-investment deals fail outright due to U.S. national-security objections raised through the Committee on Foreign Investment in the United States, a government panel that reviews sensitive acquisitions. Just 5% of the 313 CFIUS-reviewed transactions between 2008 and 2010 forced changes to the deal. U.S. officials say the process doesn't discriminate based on the country of a company trying to invest in the U.S.

"The perception in China is that the U.S. market is difficult to invest in, that CFIUS is knocking down all these deals," said Timothy J. Keeler, a partner at Mayer Brown LLPin Washington and former U.S. trade official. Thanks to overall increased China investment in the U.S., it isn't surprising to see "an increase in the number of deals that run into problems even though the number is relatively small,'' the lawyer added.

### Protectionism Defense

#### *No protectionism*

Dickson 10(David, Despite fears, big powers resist trade wars, 9 March 2010, http://www.washingtontimes.com/news/2010/mar/09/despite-fears-big-powers-resist-trade-wars/, AMiles)

It's the trade war that wasn't. Fears that the deep global recession would fuel protectionist measures have not been borne out, a major survey found. Commissioned by the Group of 20 leading industrial powers, the study found that the United States and its major trading partners have cut back sharply on trade-killing restrictions since September, despite strong political pressures at home. "Most G-20 members continue to manage successfully the political process of keeping domestic protectionist pressures under control, despite a difficult environment for some of them where employment levels and new job opportunities are shrinking," the report said. The restrictions that were embraced tended to be "concentrated in sectors that are already relatively highly protected, such as minerals, textiles and metal products." As the global recession deepened in 2008 and 2009, many economists feared a modern trade war similar to the tit-for-tat tariff increases and import quotas that characterized the Great Depression of the 1930s, when measures such as the Smoot-Hawley Tariff Act in the United States sent world commerce plummeting by more than 50 percent. This time, nations operated with far more restraint. The inclination toward protectionism subsided during the past six months as the economies of most nations began growing again after the longest, deepest, most widespread global recession since the Great Depression. The survey could mean good news for a global economy that is gathering new steam, with fewer new trade barriers and tariffs to dismantle as the major trading powers struggle to complete the stalled Doha trade round — a global negotiation now in its ninth year. The report was released Monday by the World Trade Organization (WTO), which coordinated with analysts from the Organization of Economic Cooperation and Development and the United Nations. "Since September 2009, recourse to new trade restrictions by G-20 members has been less pronounced" than in the previous 12 months, according to the report. The G-20 includes the leading Western industrial democracies and major emerging-market and developing nations, such as Brazil, Russia, China, India and South Korea. The WTO calculated that restrictive measures introduced since Sept. 1 covered 0.7 percent of G-20 imports, or 0.4 percent of total world imports. By comparison, trade restrictions adopted during the previous period affected twice that level of commerce — 1.3 percent of G-20 imports or 0.8 percent of total world imports. The Obama administration and the Democrat-led Congress have been criticized for a lack of enthusiasm for free-trade deals and for a greater willingness to curb imports in comparison with the policies of the George W. Bush administration. Free-trade pacts with South Korea, Colombia and Panama have stalled in Congress since Mr. Obama took office last year. "This delay in implementation hurts U.S. credibility around the world, not just economically, but geopolitically as well," Sen. Charles E. Grassley, Iowa Republican, told U.S. Trade Representative Ron Kirk at a hearing last week. "On top of that, it creates some confusion with respect to the administration's own trade initiatives," Mr. Grassley said. Some congressional Democrats, far more skeptical of previous free-trade pacts, recently called for an end to the North American Free Trade Agreement with Canada and Mexico. The WTO report cited the United States for restricting tires and coated paper imported from China, conducting anti-dumping investigations involving steel fasteners and steel oil-drilling pipes imported from China, complicating Canadian participation in government-procurement contracts and prolonging assistance to financial institutions through the $700 billion Wall Street bailout program. But WTO analysts said no new major trade-reducing measures were adopted during the past six months in services, although countries continued to intervene in the transportation and financial industries, both of which received ongoing government support. Global Trade Alert, an independent monitoring organization, issued a much more pessimistic review of protectionism last month. "Stabilization certainly hasn't ended protectionism," said Simon Evenett, a trade economist who serves as coordinator for the group. "Since the beginning of the fourth quarter of 2009, a substantial number (63) of beggar-thy-neighbor policies have been implemented." "If anything, G-20 governments have been responsible for a higher share of protectionist measures since [economic] stabilization began," he said. However, Mr. Evenett was not predicting a trade war. While the degree of protectionism remains a subject of debate, the trend in world trade is not. World trade volume surged by 4.8 percent in December, after an increase of 1.1 percent in November, according to a widely watched report by the CPB Netherlands Bureau for Economic Policy Analysis. December's jump was the biggest gain since monthly record-keeping began in 1991.

#### *Interdependence doesn’t solve war*

May 5**—**Professor Emeritus (Research) in the Stanford University School of Engineering and a senior fellow with the Institute for International Studies at Stanford University. Former co-director of Stanford University's Center for International Security and Cooperation. Principal Investigator for the DHS. (Michael, “The U.S.-China Strategic Relationship,” September 2005, http://www.ccc.nps.navy.mil/si/2005/Sep/maySep05.asp)

However important and beneficial this interdependence may be from an economic point of view, it is not likely to be a significant factor for strategic stability. Famously, economists before World War I sounded clear warnings that Europe had become economically interdependent to an extent that war there would ruin Europe. The war was fought nevertheless, Europe was duly ruined, and the ensuing political consequences haunted Europe to the end of World War II. Other cases exist. Modern war has been an economic disaster. Economic realities, including economic interdependence, play little role in whether a country goes to war or not. Economic myths certainly do and they usually affect strategic stability quite negatively. This is another reason why domestic perceptions matter: they determine which myths are believed.

### Economy Defense

#### Economic collapse doesn’t cause war---that’s Jervis---if the current downturn didn’t cause global war then the factors cited in their evidence aren’t sufficient to cause hot wars

#### No conflicts resulted from the recession – disproves the impact

Barnett 9**—**senior managing director of Enterra Solutions LLC (Thomas, The New Rules: Security Remains Stable Amid Financial Crisis, 25 August 2009, http://www.aprodex.com/the-new-rules--security-remains-stable-amid-financial-crisis-398-bl.aspx)

When the global financial crisis struck roughly a year ago, the blogosphere was ablaze with all sorts of scary predictions of, and commentary regarding, ensuing conflict and wars -- a rerun of the Great Depression leading to world war, as it were. Now, as global economic news brightens and recovery -- surprisingly led by China and emerging markets -- is the talk of the day, it's interesting to look back over the past year and realize how globalization's first truly worldwide **recession has had** virtually **no impact** whatsoever **on** the **international security** landscape. None of the more than three-dozen ongoing conflicts listed by GlobalSecurity.org can be clearly attributed to the global recession. Indeed, the last new entry (civil conflict between Hamas and Fatah in the Palestine) predates the economic crisis by a year, and three quarters of the chronic struggles began in the last century. Ditto for the 15 low-intensity conflicts listed by Wikipedia (where the latest entry is the Mexican "drug war" begun in 2006). Certainly, the Russia-Georgia conflict last August was specifically timed, but by most accounts the opening ceremony of the Beijing Olympics was the most important external trigger (followed by the U.S. presidential campaign) for that sudden spike in an almost two-decade long struggle between Georgia and its two breakaway regions. Looking over the various databases, then, we see a most familiar picture: the usual mix of civil conflicts, insurgencies, and liberation-themed terrorist movements. Besides the recent Russia-Georgia dust-up, the only two potential state-on-state wars (North v. South Korea, Israel v. Iran) are both tied to one side acquiring a nuclear weapon capacity -- a process wholly **unrelated to** global **economic trends**. And with the United States effectively tied down by its two ongoing major interventions (Iraq and Afghanistan-bleeding-into-Pakistan), our involvement elsewhere around the planet has been quite modest, both leading up to and following the onset of the economic crisis: e.g., the usual counter-drug efforts in Latin America, the usual military exercises with allies across Asia, mixing it up with pirates off Somalia's coast). Everywhere else we find serious instability we pretty much let it burn, occasionally pressing the Chinese -- unsuccessfully -- to do something. Our new Africa Command, for example, hasn't led us to anything beyond advising and training local forces. So, to sum up: •No significant uptick in mass violence or unrest (remember the smattering of urban riots last year in places like Greece, Moldova and Latvia?); •The usual frequency maintained in civil conflicts (in all the usual places); •Not a single state-on-state war directly caused (and no great-power-on-great-power crises even triggered); •No great improvement or disruption in great-power cooperation regarding the emergence of new nuclear powers (despite all that diplomacy); •A modest scaling back of international policing efforts by the system's acknowledged Leviathan power (inevitable given the strain); and •No serious efforts by any rising great power to challenge that Leviathan or supplant its role. (The worst things we can cite are Moscow's occasional deployments of strategic assets to the Western hemisphere and its weak efforts to outbid the United States on basing rights in Kyrgyzstan; but the best include China and India stepping up their aid and investments in Afghanistan and Iraq.) Sure, we've finally seen global defense spending surpass the previous world record set in the late 1980s, but even that's likely to wane given the stress on public budgets created by all this unprecedented "stimulus" spending. If anything, the friendly cooperation on such stimulus packaging was the most notable great-power dynamic caused by the crisis. Can we say that the world has suffered a distinct shift to political radicalism as a result of the economic crisis? Indeed, no. The world's major economies remain governed by center-left or center-right political factions that remain decidedly friendly to both markets and trade. In the short run, there were attempts across the board to insulate economies from immediate damage (in effect, as much protectionism as allowed under current trade rules), but there was no great slide into "trade wars." Instead, the World Trade Organization is functioning as it was designed to function, and regional efforts toward free-trade agreements have not slowed. Can we say Islamic radicalism was inflamed by the economic crisis? If it was, that shift was clearly overwhelmed by the Islamic world's growing disenchantment with the brutality displayed by violent extremist groups such as al-Qaida. And looking forward, austere economic times are just as likely to breed connecting evangelicalism as disconnecting fundamentalism. At the end of the day, the economic crisis did not prove to be sufficiently frightening to provoke major economies into establishing global regulatory schemes, even as it has sparked a spirited -- and much needed, as I argued last week -- discussion of the continuing viability of the U.S. dollar as the world's primary reserve currency. Naturally, plenty of experts and pundits have attached great significance to this debate, seeing in it the beginning of "economic warfare" and the like between "fading" America and "rising" China. And yet, in a world of globally integrated production chains and interconnected financial markets, such "diverging interests" hardly constitute signposts for wars up ahead. Frankly, I don't welcome a world in which America's fiscal profligacy goes undisciplined, so bring it on -- please! Add it all up and it's fair to say that this global financial crisis has proven the great resilience of America's post-World War II international liberal trade order.

# 1NR

## CP

### Derp

#### This boosts investor confidence --- solves the case

David M. Marchick 12, Managing Director, Carlyle Group, “Fostering Greater Chinese Investment in the United States,” Council on Foreign Relations, Feb, 2012,

http://www.cfr.org/china/fostering-greater-chinese-investment-united-states/p27310

Quantify CFIUS's results. The recent CFIUS annual report said that sixteen transactions involving Chinese firms were reviewed by CFIUS between 2008 and 2010, but did not say how many of these were approved. By showing the number of transactions that were approved, which **presumably** vastly outnumber problematic transactions, Chinese companies would have more confidence to invest.

## Gas Advantage

### --- CFIUS Not Key

#### *--- Chinese companies are pursuing “hands off” oil deals because of the political conditions --- not CFIUS*

Mandel – 1AC author – 12 (Jenny, Reporter for EnergyWire, a daily publication covering the unconventional oil and gas sectors, Previous positions with E%26E include editing Land Letter and writing news and feature stories for Greenwire, ClimateWire, and other news outlets, "Will U.S. shale technology make the leap across the Pacific?," EnergyWire: Tuesday, July 17, 2012, http://www.eenews.net/public/energywire/2012/07/17/1)

Despite the challenges, the allure of a massive new domestic energy source has the Chinese government and private and state-owned companies moving cautiously toward development. Today, virtually all of the key intellectual property behind shale gas extraction lies with North American companies, and one of the first steps the Chinese have taken is to pour money into U.S. and Canadian ventures where those technologies are in use.

In 2010 and 2011, China National Offshore Oil Corp. (CNOOC) paid $2.3 billion for partial stakes in plays by Chesapeake Energy Corp. in Texas, Wyoming and Colorado. Earlier this year, Sinopec bought into Oklahoma City-based Devon Energy Corp.'s holdings across Louisiana, Mississippi, Colorado, Ohio and Michigan in a $2.5 billion deal. Chinese companies have also aggressively pursued investment deals in Canadian shale projects.

But Johns Hopkins' Kong said attempts by Chinese companies to negotiate North American on-the-job training have been blocked.

The deal with Chesapeake, for example, limited the interaction of CNOOC personnel with sensitive technologies by restricting the company's right to send workers into gas fields, Kong said. "The Chinese companies have agreed deliberately not to send their oil workers to American gas fields and not to participate in boardroom decisions," Kong said. "The Chinese companies have agreed to this long-term, slow, gradual approach to gaining know-how in the North American energy sector."

The caution stems mostly from a political firestorm that broke out when, in 2005, CNOOC tried to buy Unocal Corp. in an $18.5 billion deal that was eventually withdrawn in the face of opposition from Congress. Since then, there has been a general awareness among Chinese players of the need to move slowly and avoid raising red flags (E&ENews PM, Aug. 2, 2005).

So what do Chinese investors gain from these North American investments, then, if not direct access to fracking technologies? "By investing in the U.S. ... they benefit from the spill-over effect," Kong said. They have some personnel involved with the projects, even if they're not learning the nitty-gritty of how to develop a fracking plan, and may be able to pick up some very high-level management expertise that is relevant at home.

### No CCP Collapse

#### *No lashout---CCP would fear retaliation AND even if the order was issues the PLA would not obey*

Gilley 5 (Bruce, Professor of International Affairs @ New School University and Former Contributing Editor @ the Far Eastern Economic Review, “China’s Democratic Future,”)

More ominous as a piece of "last ditchism" would be an attack on Taiwan. U.S. officials and many overseas democrats believe that there is a significant chance of an attack on Taiwan if the CCP is embattled at home. Indeed, China's strategic journals make frequent reference to this contingency: "The need for military preparations against Taiwan is all the more pressing in light of China's growing social tensions and unstable factors which some people, including the U.S. might take advantage of under the flag of 'humanism' to paralyze the Chinese government," one wrote. Such a move would allow the government to impose martial law on the country as part of war preparations, making the crushing of protest easier. It would also offer the possibility, if successful, of CCP survival through enhanced nationalist legitimacy. Yet **the risks**, even to a dying regime, **may be too high**. An unprovoked attack on Taiwan would almost certainly bring the U.S. and its allies to the island's rescue. Those forces would not stop at Taiwan but might march on Beijing and oust the CCP, or attempt to do so through stiff sanctions, calling it a threat to regional and world peace. Such an attack might also face the opposition of the peoples of Fujian, who would be expected to provide logistical support and possibly bear the worst burdens of war. They, like much of coastal China, look to Taiwan for investment and culture and have a close affinity with the island. As a result, there are doubts about whether such a plan could be put into action. A failed war would prompt a Taiwan declaration of independence and a further backlash against the CCP at home, just as the May Fourth students of 1919 berated the Republican government for weakness in the face of foreign powers. Failed wars brought down authoritarian regimes in Greece and Portugal in 1974 and in Argentina in 1983. Even if CCP leaders wanted war, it is unlikely that the PLA would oblige. Top officers would see the disastrous implications of attacking Taiwan. **Military caution would** also **guard against the even wilder scenario of the use of nuclear weapons against Japan or the U. S.** At the height of the Tiananmen protests it appears there was consideration given to the use of nuclear weapons in case the battle to suppress the protestors drew in outside Countries .41 But even then, the threats did not appear to gain even minimal support. In an atmosphere in which the military is thinking about its future, the resort to nuclear confrontation would not make sense.

#### No CCP lashout – they misunderstand Chinese strategy

Bleicher 8 – Samuel A Bleicher, principal in his consulting firm, The Strategic Path LLC. From 2001 to 2007, he served as chief strategist for new initiatives in the Overseas Buildings Operations Bureau of the US State Department, 5/13/08, “China's weakness the greater danger”, Asia Times, http://www.atimes.com/atimes/Global\_Economy/JE13Dj08.html)

This military balance against China severely limits any rational military ambitions. China's only active military focus grows out of its adamant opposition to Taiwan's independence, an issue that appears likely to recede as a result of this year's elections in Taiwan. China certainly wants enough military capability to make its threat of military action credible to Taiwan, the US and Japan. The Chinese tradition of military strategy is built around outwitting and outmaneuvering the enemy, not applying overwhelming brute force. For that purpose, the appearance of strength is important, but the actual use of force would reflect a strategic failure. Worse, any serious, long-term military engagement could easily create just the kind of domestic economic dislocations and shortages that, after the initial burst of patriotic enthusiasm, would feed social and political dissatisfaction, which the regime rightly fears most. The months-long adverse consequences of last winter's blizzard show the true vulnerability of China's economic structure.

### No Russia/China War

#### *Shared interests solve*

Weitz 11---Director, Center for Political-Military Analysis Senior Fellow Hudson Institute. PhD in pol sci from Harvard (Richard, China-Russia relations and the United States: At a turning point?, <http://en.rian.ru/valdai_op/20110414/163523421.html>)

Since the end of the Cold War, the improved political and economic relationship between Beijing and Moscow has affected a range of international security issues. China and Russia have expanded their bilateral economic and security cooperation. In addition, they have pursued distinct, yet parallel, policies regarding many global and regional issues.

Yet, Chinese and Russian approaches to a range of significant subjects are still largely uncoordinated and at times in conflict. Economic exchanges between China and Russia remain minimal compared to those found between most friendly countries, let alone allies.

Although stronger Chinese-Russian ties could present greater challenges to other countries (e.g., the establishment of a Moscow-Beijing condominium over Central Asia), several factors make it unlikely that the two countries will form such a bloc.

The relationship between the Chinese and Russian governments is perhaps the best it has ever been. The leaders of both countries engage in numerous high-level exchanges, make many mutually supportive statements, and manifest other displays of Russian-Chinese cooperation in what both governments refer to as their developing strategic partnership.

The current benign situation is due less to common values and shared interests than to the fact that Chinese and Russian security concerns are predominately directed elsewhere.

Although both countries have experienced a geopolitical resurgence during the past two decades, Chinese and Russian security concerns are not directed at each other but rather focus on different areas and issues, with the notable exceptions of maintaining stability in Central Asia and constraining North Korea’s nuclear activities.

Most Chinese policy makers worry about the rise of separatist movements and Islamist terrorism in western China and about a potential military clash with the United States in the Asia-Pacific region, especially regarding Taiwan and the contested maritime regions of the South China and East China Seas.

In contrast, most Russian analysts see terrorism in the North Caucasus, maintaining influence in Europe, and managing security relations with Washington as the main security challenges to their country.

Neither Chinese nor Russian military experts perceive a near-term military threat from the other’s country. The Russian government has even provided sophisticated navy, air, and air defense platforms to the Chinese military, confident that the People’s Liberation Army (PLA) would only employ these systems, if at all, against other countries. In addition, China and Russia have resolved their longstanding border disputes as well as contained their rivalries in Central Asia, the Korean Peninsula, and other regions.

Since the Soviet Union’s disintegration in the early 1990s, China and Russia have resolved important sources of their Cold War-era tensions. Through protracted negotiations, the two governments have largely solved their boundary disputes, which had erupted in armed border clashes in the late 1960s and early 1970s. The stoking of anti-Chinese sentiment by politicians in the Russian Far East impeded the ability of Russia’s first President, Boris Yeltsin, to make substantial progress during the 1990s in demarcating the Russia-China border. These politicians sought to rally local support by accusing Moscow of planning to surrender territory to Beijing. By the mid-2000s, Yeltsin’s successor, Vladimir Putin, managed to centralize sufficient political power in the Kremlin to ignore these local sentiments. Furthermore, Russia and China have demilitarized their lengthy shared frontier through a series of arms control and disarmament measures.

Chinese and Russian leaders share a commitment to a philosophy of state sovereignty (non-interference) and territorial integrity (against separatism). Although Russian and Chinese leaders defend national sovereignty by appealing to international law, their opposition also reflects more pragmatic considerations---a shared desire to shield their human rights and civil liberties practices, and those of their allies, from Western criticism.

Chinese and Russian officials refuse to criticize each other’s foreign and domestic policies in public. They also have issued many joint statements calling for a multi-polar world in which no one country (e.g., the United States) dominates. During the past few years, their leaders have commonly blamed American economic mismanagement for precipitating the global recession.

They regularly advocate traditional interpretations of national sovereignty that exempt a government’s internal policies from foreign criticism. Beijing and Moscow oppose American democracy promotion efforts, U.S. missile defense programs, and Washington’s alleged plans to militarize outer space.

The two countries strive to uphold the authority of the United Nations, where the Chinese and Russian delegations frequently collaborate to dilute resolutions seeking to impose sanctions on Burma, Iran, Zimbabwe, and other governments they consider friendly. In July 2008, they finally demarcated the last pieces of their 4,300-km (2,700 mile) frontier, one of the world’s longest land borders, ending a decades-long dispute.

Chinese and Russian officials have expressed concern about the efforts by the United States and its allies to strengthen their ballistic missile defense (BMD) capabilities. Their professed fear is that these strategic defense systems, in combination with the strong American offensive nuclear capabilities, might enable the United States to obtain nuclear superiority over China and Russia.

Both governments have also expressed unease regarding U.S. military programs in the realm of outer space. Russian and Chinese experts claim that the United States is seeking to acquire the means to orchestrate attacks in space against Russian and Chinese reconnaissance satellites and long-range ballistic missiles, whose trajectories passes through the upper atmosphere. In response, the Russian and Chinese governments have proposed various arms control initiatives purportedly aimed at preventing the militarization of space.

For example, the Russian and Chinese representatives have unsuccessfully sought for years at the UN Conference on Disarmament to negotiate a treaty on the “Prevention of an Arms Race in Outer Space,” which would seek to prohibit the militarization of outer space. More recently, China and Russia have submitted a joint Space Treaty to the Conference on Disarmament in Geneva, which would impose legal constraints on how the United States could use outer space. They have sought to link progress on other international arms control initiatives to the adoption of these space limitations.

The bilateral defense relationship has evolved in recent years to become more institutionalized and better integrated. As befits two large and powerful neighbors, the senior military leaders of Russia and China now meet frequently in various formats. Their direct encounters include annual meetings of their defense ministers and their armed forces chiefs of staff. Since 1997, they have also organized yearly “strategic consultations” between their deputy chiefs of the general staff. In March 2008, the Chinese defense minister established a direct telephone line with his Russian counterpart, the first such ministerial hotline ever created by China and another country. In December 2008, the chiefs of the Chinese and Russian general staffs created their own direct link.

Senior Russian and Chinese defense officials also typically participate in the regular heads of government meetings between Russia and China, which occur about once a year as bilateral summits. They also confer frequently at sessions of multinational gatherings, such as at meetings of the SCO, which host regular sessions for defense ministers. Contacts are even more common among mid-level military officers, especially those in charge of border security units and military units in neighboring Chinese and Russian territories.

Russian and Chinese military experts also engage in regular direct discussions related to their functional expertise such as communications, engineering, and mapping. Substantial academic exchanges also regularly occur. More than 1,000 Chinese students have studied at over 20 Russian military academies since 1996. The two defense communities conduct a number of larger exchanges and engagements. The best known are the major biennial military exercises that they have been holding since 2005, but smaller-scale engagements also frequently occur.

Chinese and Russian leaders also have developed shared perspectives and independent offensive capabilities regarding governmental activities in the cyber domain. The two governments have been developing their information warfare capabilities and now possess an extensive variety of offensive and defensive tools in this domain.

Furthermore, recent revelations regarding Chinese cyber-espionage activities suggest the extent to which Chinese operatives have penetrated Western information networks. In Russia’s case, cyber attacks against Estonia, Georgia, and other countries illustrate the extensive offensive capabilities available to that country’s forces. Russia’s hybrid August 2008 campaign against Georgia was particularly effective in disabling Georgia’s infrastructure as well as demonstrating a potential capacity to inflict widespread physical damage.

Both countries appear to have already conducted extensive surveying of U.S. digital vulnerabilities and to have prepared targeted campaign plans to exploit U.S. network vulnerabilities if necessary. Although these offensive and defensive preparations are being conducted independently, the Chinese and Russian governments are collaborating, along with other Eurasian allies in the SCO, to deny Internet resources to civil liberties groups and other opponents of their regimes.

Central Asia perhaps represents the geographic region where the security interests of China and Russia most overlap. Although China and Russia often compete for Central Asian energy supplies and commercial opportunities, the two governments share a desire to limit potential instability in the region. They especially fear ethnic separatism in their border territories supported by Islamic fundamentalist movements in Central Asia. Russian authorities dread the prospect of continued instability in the northern Caucasus, especially Chechnya and neighboring Dagestan. China’s leaders worry about separatist agitation in the Xinjiang Uighur Autonomous Region.

The shared regional security interests between Beijing and Moscow have meant that the newly independent states of Central Asia---Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan---have become a generally unifying element in Chinese-Russian relations. Their overlapping security interests in Central Asia have manifested themselves most visibly in the Shanghai Cooperation Organization (SCO).

### Negotiations Now

#### China is de-escalating South China Sea tensions – promoting peaceful negotiations now

Ponnudurai 9-26 – Parameswaran Ponnudurai, September 26th, 2012, "China Seeks To Mend Fences In Sea Dispute – Analysis" www.eurasiareview.com/26092012-china-seeks-to-mend-fences-in-sea-dispute-analysis/

As Beijing flexes its muscles over its territorial dispute with Japan in the East China Sea, it is mending fences with Southeast Asian nations after a spate of tensions in the contested South China Sea.¶ Following much prodding and diplomacy, **China appears to be showing some flexibility in its approach towards drawing up a code of conduct with the Southeast Asian nations** aimed at avoiding clashes over competing territorial claims in the vast sea, diplomats in the region told RFA.¶ Although they are skeptical of any early breakthrough for a legally binding document between China and the Association of Southeast Asian Nations (ASEAN) to guide behavior in the sea, there is optimism that negotiations will occur on a sustained basis.¶ “We see some flexibility to discuss the COC with ASEAN,” one Southeast Asian diplomat said, referring to the elusive Code of Conduct or COC which ASEAN—comprising Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam—has been striving to devise with Beijing for a decade.¶ **In an initial display of seriousness that it is prepared to come to the table,** China sent its senior officials to Cambodia last week to informally discuss with their counterparts from ASEAN the prospects for drawing up a code, officials said.¶ This is the first meeting between the two sides specifically on the maritime dispute since ASEAN plunged into a crisis two months ago when foreign ministers of the 10-member bloc failed to issue their customary joint statement at the conclusion of their annual meeting hosted by Cambodia, China’s top ally in Southeast Asia.¶ Some ASEAN diplomats had charged that Cambodia had been influenced by China not to incorporate in the statement the views of ASEAN member states the Philippines and Vietnam, which had tiffs earlier this year with Beijing over islands and reefs in the South China Sea, causing an impasse at the meeting.¶ China claims to South China Sea¶ China claims to South China Sea¶ The ASEAN-China Senior Officials’ Informal Consultations on the Code of Conduct (COC) in the South China Sea, as last week’s meeting in Phnom Penh was officially called, was among a series of discussions in preparation for the ASEAN summit and the East Asia Summit in November.¶ “**Compared to two months ago, when there was complete reluctance to come to the table, China appears willing to sit down and talk,” said one Southeast Asian official, who was briefed on the talks but spoke on condition of anonymity**.¶ “Indirectly, they may be feeling the heat from the mounting criticism over what happened at the meeting in July which was a big blow to ASEAN,” the official said.¶ “But China has also asked the ASEAN states to do their part by reducing tensions and not conducting border incursions and creating a conducive environment for any future talks. **They don’t want us to bring in third parties [the United States] over the conflict and want us to stick to the 2002 declaration**,” the diplomat said.¶ Under a 2002 agreement for managing their overlapping territorial claims, ASEAN and China adopted a Declaration on the Conduct of Parties in the South China Sea, called DOC as a first step towards a binding code of conduct.¶ But in a reflection of the sensitivity over the issue, it was only last year—after 10 years—that they agreed on a set of guidelines to implement the declaration that was aimed at laying the groundwork for discussions on the regional code of conduct.¶ Ray of hope¶ The new ray of hope for achieving a COC comes after extensive diplomacy, including U.S. Secretary of State Hillary Clinton’s trip to Southeast Asia and China, with a meeting with Chinese President Hu Jintao.¶ Chinese leaders told Clinton—who has often emphasized that freedom of navigation in the South China Sea is a U.S. “national interest”—that they want to pursue the COC, U.S. Ambassador to China Gary Locke told a forum in Washington last week, saying the talks between the two sides were “very good.”¶ “I’ve also heard from many prominent Chinese academics that China would like somehow to return to the status quo, that they would like to lower the temperature,” Locke said.¶ Chinese Foreign Minister Yang Yechi had also visited Indonesia as well as Malaysia and Brunei, giving reassurances that diplomacy was still on track.¶ Cambodian Prime Minister Hun Sen, embarrassed by the failure by his country as 2012 ASEAN chairman to forge an agreement on the foreign ministers’ joint statement, also made a trip to China this month, meeting Prime Minister Wen Jiabao.¶ Hun Sen won assurances from Wen that Beijing will “closely work” to make the upcoming East Asia Summit which Cambodia will host a success,” Chinese media reported.¶ Southeast Asian diplomats said a key objective is to get an initial ASEAN-China accord on the COC before the November East Asia Summit, to be attended by leaders of ASEAN as well as China, Japan, South Korea, India, Australia, New Zealand, Russia and the United States.¶ **Key elements of the COC have been agreed upon by ASEAN member states whose foreign ministers will meet to consider a full draft document on the sidelines of the U.N. General Assembly in New York this coming week**, the diplomats said.¶ “We are now in the process of spelling out the draft [of the code] and we hope to be able to share it with my ASEAN foreign minister colleagues when I meet them in New York,” Indonesian Foreign Minister Marty Natalegawa said, according to the Jakarta Globe newspaper.¶ “The development of the South China Sea [issues] reminds us how we desperately need the code of conduct, [so] I’m trying to use the momentum,” Marty said, as Indonesia asserts a leadership role in ASEAN to deal with the South China Sea issue, Asia’s biggest potential military flashpoint.¶ Cambodia or Thailand, which is the ASEAN coordinator for China issues, could host another round of informal talks between senior officials from ASEAN and China on the COC before the East Asia Summit.¶ “Both sides might also issue a joint statement to commemorate the 10th anniversary of the DOC at Summit,” an official involved in the planning of the summit told RFA, referring to the declaration adopted in 2002 in Cambodia to set the stage for the regional code of conduct.¶ **Beijing has maintained all this while that it wants to resolve the South China Sea territorial conflicts on a bilateral basis with ASEAN members Brunei, Malaysia, the Philippines and Vietnam, which have competing claims with China**.

#### No hostile Chinese rise impact---Chinese strategists won’t push to eclipse U.S. hegemony

Nathan & Scobell 12 – Andrew J. Nathan, the Class of 1919 Professor of Political Science at Columbia University; and Andrew Scobell, Senior Political Scientist at the RAND Corporation, September/October 2012, “How China Sees America,” Foreign Affairs, Vol. 91, No. 5

DESPITE THESE views, mainstream Chinese strategists do not advise China to challenge the United States in the foreseeable future. They expect the United States to remain the global hegemon for several decades, despite what they perceive as initial signs of decline. For the time being, as described by Wang Jisi, dean of Peking University's School of International Studies, "the superpower is more super, and the many great powers less great." Meanwhile, the two countries are increasingly interdependent economically and have the military capability to cause each other harm. It is this mutual vulnerability that carries the best medium-term hope for cooperation. Fear of each other keeps alive the imperative to work together.

In the long run, however, the better alternative for both China and the West is to create a new equilibrium of power that maintains the current world system, but with a larger role for China. China has good reasons to seek that outcome. Even after it becomes the world's largest economy, its prosperity will remain dependent on the prosperity of its global rivals (and vice versa), including the United States and Japan. The richer China becomes, the greater will be its stake in the security of sea-lanes, the stability of the world trade and financial regimes, nonproliferation, the control of global climate change, and cooperation on public health. China will not get ahead if its rivals do not also prosper. And Chinese strategists must come to understand that core U.S. interests -- in the rule of law, regional stability, and open economic competition -- do not threaten China's security.

## Iran Advantage

### No Prolif

#### No Iran prolif---prefer our ev

Giraldi 11—former counter-terrorism specialist and military intelligence officer of the CIA. PhD in History from U of London (Philip, 9 June 2011, Target: Iran, www.payvand.com/news/11/jun/1118.html)

So we are possibly contemplating entering into another war to counter the Iranian “threat,” which this time, per Israel, is directed against the entire civilized world. As everyone knows, the United States has a mandate given by God to deal with all uncivilized behavior, something it has done so successfully in Iraq, Afghanistan, and Libya. But stepping back a bit from the usual Israel rhetoric, there are certain problems with what is being promoted. Israel and its friends in the US have exhibited a tendency to move the goal posts back every time they discuss Iran, so much so that even well informed Americans don’t really understand the issues. For many years now it has been asserted that Iran is either six months or a year away from having a nuclear weapon, but they are no closer to having one now than they have ever been. Intelligence estimates coming from sources other than shills for Israel believe that even if Iran were to make the political and economic decision to proceed towards a weapon, by no means a given, they still could not do so before 2014. And that is assuming that the CIA and Mossad do not succeed in sabotaging parts of their program, as they did when they introduced the Stuxnet computer worm last year.

An ‘article’ by Seymour Hersh that appeared last week in the New Yorker reveals some details of the still classified 2011 National Intelligence Estimate (NIE) on Iran. To put it succinctly, there is no actual evidence that Iran has a nuclear weapon program. None. Hersh’s article elicited a response from a number of anonymous White House sources who disputed the article’s conclusions, suggesting very clearly that the Obama Administration embraces the Iranian threat narrative, if only to be able to cite Tehran as the reason for the repeated American failures in the region. Hersh also reported that the NIE had been delayed for four months because the White House had wanted a harsher judgment on Iran’s likely intentions. The intelligence community, having been burned once over Iraq, refused to comply.

Israel and Washington have also continuously redefined the red line regarding the precise nature of the Iranian threat. It started reasonably enough with the acquisition of a nuclear weapon, but then became breakout capability meaning that the technology had been developed to such a point that a weapon could be acquired in short order, and now it is any ability to master the uranium enrichment process. It is a series of definitions that constantly move backwards, so Iran can hardly win except by abandoning its perfectly legal and inspected program to provide nuclear energy to generate electricity. Even if Iran were to do so, it would undoubtedly be accused of having a “secret” program.

So it might not be completely illogical to conclude that Iran is not the likely instigator of a regional war in the Middle East - it is much more likely to be Israel, with its extreme right-wing government, an established nuclear arsenal, and a US taxpayer-provided defensive missile system in place to protect it against counter-attack. And lest there be any doubt about what the United States would do, there are two bills in Congress that might provide some enlightenment. They are ‘H. Res. 271′ and ‘H. Res. 1905′ . The former, which is co-sponsored by Tea Party darling Michelle Bachmann and 43 other Republicans, affirms the US commitment to continue arming Israel against its enemies, notes rather oddly along the way that “whereas archeological evidence exists confirming Israel’s existence as a nation over 3,000 years ago in the area in which it currently exists, despite assertions of its opponents,” and concludes by expressing “support for Israel’s right to use all means necessary to confront and eliminate nuclear threats posed by Iran, defend Israeli sovereignty, and protect the lives and safety of the Israeli people, including the use of military force if no other peaceful solution can be found within a reasonable time.”

### No Impact

#### Iran won’t strike Israel or give weapons to terrorists

Weiss ‘9 (Leonard, Dr. Weiss is an affiliate of the Center for International Security and Cooperation, Stanford University, and a consultant to the Lawrence Livermore National Laboratory, “Israel’s Future and Iran’s Nuclear Program”, <http://www.mepc.org/journal/middle-east-policy-archives/israels-future-and-irans-nuclear-program>, Fall 2009,LEQ)

The tacit assumption behind the apocalyptic pronouncements is that Iran will not only make nuclear weapons, but will use them to destroy Israel shortly thereafter. This amounts to assuming that Iran’s leaders are insane. That is, Israel’s deterrent notwithstanding, the Iranian clerics’ hatred of Israel is so intense that in order to destroy it they would launch a nuclear attack that would kill not only Jews but also up to 1.5 million Muslims living in Israel, as well as triggering an Israeli nuclear counterattack. An Israeli nuclear counterattack, which Iran could not prevent, would turn back the clock on Iran’s development for many decades and reduce its leaders to radioactive dust. There is no evidence to suggest that the ruling clerics are so disposed.4 Some have speculated that Iran might make nuclear weapons and transfer some of them to third parties, e.g. terrorist organizations, for use against Israel.4 But no country that provides nuclear weapons to a third party can be sure that the transfer will be perfectly secure from discovery or that the weapons will be used as intended. A nuclear attack on Israel using a weapon originating in Iran would undoubtedly be treated as if it came from Tehran, again resulting in Iran’s utter destruction.

### Derp

#### Empirically proven

Cook 7**—**CFR senior fellow for Mid East Studies. BA in international studies from Vassar College, an MA in international relations from the Johns Hopkins School of Advanced International Studies, and both an MA and PhD in political science from the University of Pennsylvania(Steven, Ray Takeyh, CFR fellow, and Suzanne Maloney, Brookings fellow, 6 /28, Why the Iraq war won't engulf the Mideast, http://www.iht.com/bin/print.php?id=6383265, AG)

Underlying this anxiety was a scenario in which Iraq's sectarian and ethnic violence spills over into neighboring countries, producing conflicts between the major Arab states and Iran as well as Turkey and the Kurdistan Regional Government. These wars then destabilize the entire region well beyond the current conflict zone, involving heavyweights like Egypt. This is scary stuff indeed, but with the exception of the conflict between Turkey and the Kurds, the scenario is far from an accurate reflection of the way Middle Eastern leaders view the situation in Iraq and calculate their interests there. It is abundantly clear that major outside powers like Saudi Arabia, Iran and Turkey are heavily involved in Iraq. These countries have so much at stake in the future of Iraq that it is natural they would seek to influence political developments in the country. Yet, the Saudis, Iranians, Jordanians, Syrians, and others are very unlikely to go to war either to protect their own sect or ethnic group or to prevent one country from gaining the upper hand in Iraq. The reasons are fairly straightforward. First, Middle Eastern leaders, like politicians everywhere, are primarily interested in one thing: self-preservation. Committing forces to Iraq is an inherently risky proposition, which, if the conflict went badly, could threaten domestic political stability. Moreover, most Arab armies are geared toward regime protection rather than projecting power and thus have little capability for sending troops to Iraq. Second, there is cause for concern about the so-called blowback scenario in which jihadis returning from Iraq destabilize their home countries, plunging the region into conflict. Middle Eastern leaders are preparing for this possibility. Unlike in the 1990s, when Arab fighters in the Afghan jihad against the Soviet Union returned to Algeria, Egypt and Saudi Arabia and became a source of instability, Arab security services are being vigilant about who is coming in and going from their countries. In the last month, the Saudi government has arrested approximately 200 people suspected of ties with militants. Riyadh is also building a 700 kilometer wall along part of its frontier with Iraq in order to keep militants out of the kingdom. Finally, there is no precedent for Arab leaders to commit forces to conflicts in which they are not directly involved. The Iraqis and the Saudis did send small contingents to fight the Israelis in 1948 and 1967, but they were either ineffective or never made it. In the 1970s and 1980s, Arab countries other than Syria, which had a compelling interest in establishing its hegemony over Lebanon, never committed forces either to protect the Lebanese from the Israelis or from other Lebanese. The civil war in Lebanon was regarded as someone else's fight. Indeed, this is the way many leaders view the current situation in Iraq. To Cairo, Amman and Riyadh, the situation in Iraq is worrisome, but in the end it is an Iraqi and American fight. As far as Iranian mullahs are concerned, they have long preferred to press their interests through proxies as opposed to direct engagement. At a time when Tehran has access and influence over powerful Shiite militias, a massive cross-border incursion is both unlikely and unnecessary. So Iraqis will remain locked in a sectarian and ethnic struggle that outside powers may abet, but will remain within the borders of Iraq. The Middle East is a region both prone and accustomed to civil wars. But given its experience with ambiguous conflicts, **the region has** also **developed an intuitive ability to contain its civil strife and prevent local conflicts from enveloping the entire Middle East.**

### Derp

#### No Iran threat---their evidence is blinded by special interests

Zarrabi 11—conducted lectures and seminars on international affairs, particularly in relation to Iran, with focus on US/Iran issues. President, regional chapter of World Affairs Council of San Diego. Author of 2 books about Iran. (Kam, CRYING WOLF, AGAIN?, 9 June 2011, [www.payvand.com/news/11/jun/1118.html](http://www.payvand.com/news/11/jun/1118.html))

Another round of the annual Israel lobby shindig (AIPAC) has successfully ended, with the pompous Israeli Prime Minister, Netanyahu, addressing some 7000 members and a significant chunk of the US Congress and members of the Executive Branch. These sorry, beholden and intimidated representatives of the American people had seemingly no choice but to pledge allegiance to the Israeli flag and, in order to secure their political futures, to sheepishly humiliate themselves by bowing slavishly to the little tail that continues to wag the Superdog.

Having successfully portrayed Iran as the regional terror, an existential threat to America's favorite "friend and ally", Israel, and even a nuclear danger to Western civilizations, Netanyahu and his radical Right comrades continue to use this fictitious narrative to their fullest advantage.

Thanks to the lobby's relentless financial and media influences, the American public opinion has long been swayed to accept any version or interpretation of the Middle East news or commentary that favors Israel's agendas. And, when was the last time a member of the Administration dared to criticize anything Israeli, and managed to survive the wrath of the lobby? Remember the latest victim, Cynthia McKinney?

Portrayal of Iran as a marketable international threat has been serving the interests of the Israeli regimes, as well as quite arguably those of the United States, the latter worth more careful examination. Israel's agendas are quite straightforward and easy to understand:

Israel intends to remain the sole regional superpower.

Israel must enjoy the unwavering financial, diplomatic and military support of the United States for its very survival.

Israel has no intention of giving the Palestinians any level of meaningful autonomy or nationhood, or give up a square inch of territory in the occupied areas or in East Jerusalem.

Israel intends to remain a "Jewish" state at any cost.

The United States has also involvements in the region that cannot be downplayed or ignored:

With the ongoing military operations in Iraq, Afghanistan and Pakistan, and the explosive developments in Yemen, Bahrain, Syria and possibly Saudi Arabia, America's military presence in the Middle East region, particularly in the Persian Gulf, must and shall continue.

The proverbial Military Industrial Complex and its contributions to the economy of the nation cannot be exaggerated. Unlike the human costs of war, the material losses turn into gains by America's own manufacturing industries, not to mention the tens or hundreds of billions of dollars worth of mostly second hand or nearly obsolete hardware sold to the oil-rich Arab states who are "supposedly" in danger of some Iranian assault. Of course, they know full well that Iran poses no physical threat to their kingdoms, but they have no option but to accept America's offer, as their very survival against their own people depends on the American military and diplomatic support. The Saudis, the purchasers of some 100 billion dollars worth of American arms are, for example, quite vulnerable to internal uprisings by their disenfranchised citizenry.

Last but not least is the need for a strong American presence in the region to monitor and, if necessary, to prevent or buffer a potential Israeli adventurism against Iran, which would have catastrophic results all around.

Both the Israelis and the Americans realize that any attack on Iran would be ill advised, not only because it would not have the advertised desired effects or, worse yet, the fact that it would promote more aggressive militarization by the Iranians, but because it would cause major adverse ripples throughout the region with global economic repercussions. Both Israel and the Unites States also know that the mere portrayal of Iran as a regional or even a global threat plays the intended role, much more safely and effectively than would Iran as a real threat.

It has, therefore, been the policy to keep this negative portrayal convincingly alive, to which end the Iranian regime itself has been contributing significantly, albeit by default!

There have been numerous occasions, from the initial American attack against Al-Gha'eda and Taliban bases in Afghanistan and the establishment of the Karzai government, to the IAEA nuclear negotiations with Iran during the El Baradei leadership of that United Nations' agency, that the "problems" with Iran could have been resolved, leading to a rapprochement between the United States and Iran. Each time a hand was stretched from either side, some unexpected, or actually quite expected, excuse blocked the path to such an opening. Examples are far too numerous to recount here. The obvious lack of interest by the United States to negotiate the way to a rapprochement was interpreted quite correctly by the Iranian regime as a clear indication that, short of total capitulation, something that the Iranians would never be expected to submit to, there was nothing Iran could reasonably do to remedy its negative portrayal.

This, and the repeated open threats of violation of Iran's territorial integrity and regime change, as well as the admitted and undeniable acts of infiltration and sabotage fomented by the Israeli and American agencies, played into the hands of Iran's hardliners to further strengthen their position as the guardians of the nation. The result, as though well plotted in advance, has been a continuous postponement of democratic reforms toward moderation and opening, and the resulting public dissatisfaction with more restrictive sociopolitical environment. The increasing economic sanctions spearheaded by the United States, mostly on behest of the Israeli powerhouses, have been adding to the internal problems the Iranian regime has been trying to cope with.

It has been my long-term belief that the detrimental effects of America's Iran policies for America's own interests must be well known by the American policy makers. I have to, therefore, conclude that it is a lack of ability, rather than the absence of desire, in the part of the Administration, from the office of the President on down to the US Congress, that the nation's best strategic interests in the Middle East are being compromised for the dictates of America's true enemy who has been parading as a friend and as an inseparable ally.

Many Middle East analysts, among whom Professor Seyed Mohammad Marandi of the University of Tehran, who in his latest article appearing in CASMII website, blames poor intelligence and reliance on dubious sources for a misperception of Iranian affairs. I, however, am of the opinion that those in the know in the State Department, from Hillary Clinton on down to the CIA and NSC staff advising her, do understand the situation on the ground, but are forced to resort to diplomatic hypocrisy and propaganda routines to cover up the system's inability to override the influence of special interest groups and lobbies that have a stranglehold on the nation's Middle East policy apparatus.

As I look at the status quo, I do not see any prospects for change looming on a visible horizon when it comes to this one-sided parasitic relationship. The best interests of both the United States and Iran have been suffering because of the toxins injected into the system by this parasite.

As the new threats of an attack on Iran, this time supposedly between June and September this year, loom larger, I have little doubt that the goal posts will be pushed back once again. As I have said, Iran as an existing threat serves the purpose much better than a friendly or a defeated Iran. An existing regional pariah serves Israel's interests and agendas perfectly well.

The only hope for a change in this ongoing macabre theatrical scenario is for some other regional actor to replace Iran convincingly enough to satisfy the ticket holders to this drama. I believe the script is actually undergoing changes in that direction.

There are enough military and civilian brains here to realize that a change in the status quo must be initiated sooner rather than later. My prediction is that Pakistan, a real nuclear-armed state with tribal factions that are not under the control of a viable central government and who are known for their vehement anti West and anti American sentiments can take up Iran's role as a regional pariah quite convincingly. It seems to be heading that way. Give it two to three years, and a great sea changes might be taking place in the region, especially with respect to a rapprochement with Iran, with prospects of positive developments within the Islamic Republic as tensions ease.

Meanwhile, Israel can use its time-tested tactics of keeping the United States on edge by feinting its intentions of a preemptive strike against Iran, in order to blackmail and extort more military and financial support from its big benefactor and to further postpone any prospects of a compromise with regard to its Palestinian dilemmas.