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## 1

#### Economic engagement with Mexico is an ideological smokescreen that justifies violent neoliberal development

Cypher ’10[6/27/10, James Martin Cypher. “Mexico’s Economic Collapse,” <https://nacla.org/news/mexico%E2%80%99s-economic-collapse>]

All this was occurring at the very moment when the most trite cliché about Mexico and the United States had never been more true: **When Uncle Sam sneezes, Mexico gets pneumonia**. In this case, however, it appeared that Tío Sam had a very serious disease and that Mexico was sliding toward its deathbed. In the end, **U.S. GDP slumped in 2009 by 2.4%** (on an annual average basis), **while Mexico’s fell by an estimated 6.5% (**in inflation-adjusted terms).1 When **Calderón asserts**, as he often does, **that the crisis was caused by “external” forces** and factors, **he is dead wrong**: As the great recession of 2009 showed so clearly, **Mexico has become an appendage of the U.S. economy. This state of profound** economic **dependency was consciously constructed by the Mexican business elite, which**—through the workings of the powerful Business Coordinating Council (CCE)—**orchestrated the details of Mexico’s asymmetrical economic integration with U.S. capital through the NAFTA negotiations** of the early 1990s. **The old idea of the “external” and the “internal” makes no sense when we analyze the new relation of dependency that Mexico chose because of its faith in neoliberal salvation by way of a so-called free trade agreement**. In reality the mumbo jumbo about **increasing trade** **was really a smokescreen to open up Mexico as completely as possible to U.S. foreign investment. The pillar of this neoliberal model of economic development is the export-oriented, cheap-labor assembly operations run primarily by U.S.-owned transnational corporations**. In 2009, **81% of Mexico’s exports went to the United States. U.S. demand has** for decades **been crucial to Mexico’s economy**, since the U.S. manufacturing sector has been hollowed out and now relies on imports for crucial parts and components. Mexico is the number one foreign supplier of auto parts to the United States. Even more important than the shipping of parts and components to U.S.-based factories (that will then incorporate them into U.S.-sited assembly plants) is the export of finished consumer goods—the mainstay of Mexico’s export-led economy

#### Neoliberalism’s end point is extinction

Darder 10 (Professor Antonia Darder, Distinguished Professor of Education, University of Illinois, Urbana Champaign, “Preface” in *Critical Pedagogy, Ecoliteracy, & Planetary Crisis: The Ecopedagogy Movement* by Richard V. Kahn, 2010, pp. x-xiii) GENDER MODIFIED

It is fitting to begin my words about Richard Kahn’s Critical Pedagogy, Ecoliteracy, and Planetary Crisis: The Ecopedagogy Movement with a poem. The direct and succinct message of The Great Mother Wails cuts through our theorizing and opens us up to the very heart of the book’s message—to ignite a fire that speaks to the ecological crisis at hand; a crisis orchestrated by the inhumane greed and economic brutality of the wealthy. Nevertheless, as is clearly apparent, none of us is absolved from complicity with the devastating destruction of the earth. As members of the global community, we are all implicated in this destruction by the very manner in which we define ourselves, each other, and all living beings with whom we reside on the earth. Everywhere we look there are glaring signs of political systems and social structures that propel us toward unsustainability and extinction. In this historical moment, the planet faces some of the most horrendous forms of “[hu]man-made” devastation ever known to humankind. Cataclysmic “natural disasters” in the last decade have sung the environmental hymns of planetary imbalance and reckless environmental disregard. A striking feature of this ecological crisis, both locally and globally, is the overwhelming concentration of wealth held by the ruling elite and their agents of capital. This environmental malaise is characterized by the staggering loss of livelihood among working people everywhere; gross inequalities in educational opportunities; an absence of health care for millions; an unprecedented number of people living behind bars; and trillions spent on fabricated wars fundamentally tied to the control and domination of the planet’s resources. The Western ethos of mastery and supremacy over nature has accompanied, to our detriment, the unrelenting expansion of capitalism and its unparalleled domination over all aspects of human life. This hegemonic worldview has been unmercifully imparted through a host of public policies and practices that conveniently gloss over gross inequalities as commonsensical necessities for democracy to bloom. As a consequence, the liberal democratic rhetoric of “we are all created equal” hardly begins to touch the international pervasiveness of racism, patriarchy, technocracy, and economic piracy by the West, all which have fostered the erosion of civil rights and the unprecedented ecological exploitation of societies, creating conditions that now threaten our peril, if we do not reverse directions. Cataclysmic disasters, such as Hurricane Katrina, are unfortunate testimonies to the danger of ignoring the warnings of the natural world, especially when coupled with egregious governmental neglect of impoverished people. Equally disturbing, is the manner in which ecological crisis is vulgarly exploited by unscrupulous and ruthless capitalists who see no problem with turning a profit off the backs of ailing and mourning oppressed populations of every species—whether they be victims of weather disasters, catastrophic illnesses, industrial pollution, or inhumane practices of incarceration. Ultimately, these constitute ecological calamities that speak to the inhumanity and tyranny of material profiteering, at the expense of precious life. The arrogance and exploitation of neoliberal values of consumption dishonor the contemporary suffering of poor and marginalized populations around the globe. Neoliberalism denies or simply mocks (“Drill baby drill!”) the interrelationship and delicate balance that exists between all living beings, including the body earth. In its stead, values of individualism, competition, privatization, and the “free market” systematically debase the ancient ecological knowledge of indigenous populations, who have, implicitly or explicitly, rejected the fabricated ethos of “progress and democracy” propagated by the West. In its consuming frenzy to gobble up the natural resources of the planet for its own hyperbolic quest for material domination, the exploitative nature of capitalism and its burgeoning technocracy has dangerously deepened the structures of social exclusion, through the destruction of the very biodiversity that has been key to our global survival for millennia. Kahn insists that this devastation of all species and the planet must be fully recognized and soberly critiqued. But he does not stop there. Alongside, he rightly argues for political principles of engagement for the construction of a critical ecopedagogy and ecoliteracy that is founded on economic redistribution, cultural and linguistic democracy, indigenous sovereignty, universal human rights, and a fundamental respect for all life. As such, Kahn seeks to bring us all back to a formidable relationship with the earth, one that is unquestionably rooted in an integral order of knowledge, imbued with physical, emotional, intellectual, and spiritual wisdom. Within the context of such an ecologically grounded epistemology, Kahn uncompromisingly argues that our organic relationship with the earth is also intimately tied to our struggles for cultural self-determination, environmental sustainability, social and material justice, and global peace. Through a carefully framed analysis of past disasters and current ecological crisis, Kahn issues an urgent call for a critical ecopedagogy that makes central explicit articulations of the ways in which societies construct ideological, political, and cultural systems, based on social structures and practices that can serve to promote ecological sustainability and biodiversity or, conversely, lead us down a disastrous path of unsustainability and extinction. In making his case, Kahn provides a grounded examination of the manner in which consuming capitalism manifests its repressive force throughout the globe, disrupting the very ecological order of knowledge essential to the planet’s sustainability. He offers an understanding of critical ecopedagogy and ecoliteracy that inherently critiques the history of Western civilization and the anthropomorphic assumptions that sustain patriarchy and the subjugation of all subordinated living beings—assumptions that continue to inform traditional education discourses around the world. Kahn incisively demonstrates how a theory of multiple technoliteracies can be used to effectively critique the ecological corruption and destruction behind mainstream uses of technology and the media in the interest of the neoliberal marketplace. As such, his work points to the manner in which the sustainability rhetoric of mainstream environmentalism actually camouflages wretched neoliberal policies and practices that left unchecked hasten the annihilation of the globe’s ecosystem. True to its promise, the book cautions that any anti-hegemonic resistance movement that claims social justice, universal human rights, or global peace must contend forthrightly with the deteriorating ecological crisis at hand, as well as consider possible strategies and relationships that rupture the status quo and transform environmental conditions that threaten disaster. A failure to integrate ecological sustainability at the core of our political and pedagogical struggles for liberation, Kahn argues, is to blindly and misguidedly adhere to an anthropocentric worldview in which emancipatory dreams are deemed solely about human interests, without attention either to the health of the planet or to the well-being of all species with whom we walk the earth.

#### The alternative is to use post-neoliberalism as a starting point---a radically renewed focus on engagement with Latin America is the only way to ever solve

Kaltwasser 11 (Cristóbal Rovira, Foundation postdoctoral research fellow at the Social Science Research Center Berlin, "Toward Post-Neoliberalism in Latin America?," Latin American Research Review Volume 46, Number 2, 2011, MUSE)

Although not all six books reviewed here use the term post-neoliberalism, they do assume that Latin America is experiencing political change characterized by detachment from the principles of the Washington Consensus, among other features. Many countries in the region are experimenting with ideas and policies linked to the left rather than to the right. In Governance after Neoliberalism—which offers an overview in three chapters, followed by a series of single-case studies—Grugel and Riggirozzi declare that their central question is "the extent to which genuinely new [End Page 227] and alternative models of governance are emerging in Latin America with respect to those framed under neoliberalism" (3). In the same book, Cortés argues that, "[i]nstead of a new, consolidated paradigm of social policy, we are witnessing the emergence of gradual and tentative alternative approaches to neoliberalism" (52). As these arguments suggest, the term post-neoliberalism signifies more the intent to move beyond the Washington Consensus than any coherent, new model of governance. Macdonald and Ruckert postulate in the introduction to their volume that "the post-neoliberal era is characterized mainly by a search for progressive policy alternatives arising out of the many contradictions of neoliberalism" (6). From this angle, the term post-neoliberalism refers to the emergence of a new historical moment that puts into question the technocratic consensus on how to achieve economic growth and deepen democracy. Similarly, Roberts maintains that, "[s]ince it is not clear whether the region's new leftist governments have identified, much less consolidated, viable alternatives to market liberalism, it is far too early to claim that Latin America has entered a post-neoliberal era of development" (in Burdick, Oxhorn, and Roberts, 1). Panizza offers a different and interesting point of view by analyzing how friends (e.g., experts associated with IFIs) and foes (e.g., organizers of the World Social Forum) alike have framed the terms neoliberalism and Washington Consensus. As economists, technocrats, politicians, activists, and intellectuals use them, the terms have different meanings. Yet Panizza proposes that neoliberalism engages a narrative promoting the expansion of free-market economy, whereas Washington Consensus refers to a set of policies that encourage fiscal discipline, the privatization of public enterprises, liberalization of the labor market, and deregulation of the financial sector, among other prescriptions. In consequence, post-neoliberalism seeks not only to contest the technocratic monopolization of political space but also to favor the expansion of the national state, particularly in the economic arena. Explanations for the Movement Beyond the Washington Consensus All six books offer rich explanations of Latin America's turn to the left and of the rise of political forces that, through the ballot box or popular mobilization, seek to abandon the neoliberal paradigm. Borrowing the notion of contentious politics from McAdam, Tarrow, and Tilly,[1](http://muse.jhu.edu.go.libproxy.wfubmc.edu/journals/latin_american_research_review/v046/46.2.kaltwasser.html#f1) Silva constructs, in three initial chapters, a theoretical framework that he then applies to four positive (Argentina, Bolivia, Ecuador, Venezuela) and two counterfactual examples (Chile and Peru). He argues that market [End Page 228] reforms created significant economic and social exclusion, thus leading to grievances and demands for change from the popular sector and, in some cases, from the middle class. However, these episodes of neoliberal contention depended on two factors: on the one hand, the development of associational power (creating new organizations and recasting existing ones), and on the other hand, horizontal linkages between new and traditional movements, as well as between different social classes. Both factors are decisive in explaining why there has been either substantial or little motivation for anti-neoliberal protest. Silva finds, for example, that in Peru, "significant insurrectionary movements and a turn to authoritarianism that closed political space during Fujimori's presidency inhibited the formation of associational power and horizontal linkages among social movement organizations" (231). This explanation is shared by Roberts, who, in the introduction to Beyond Neoliberalism in Latin America?, states that a bottom-up perspective helps us understand that market reforms may unintentionally have sown the seeds for protest. That is, the Washington Consensus may have brought with it demands by and on behalf of the poor and disadvantaged. Lucero explains in this regard that "the neoliberal moment in Latin America, understood as one providing new political opportunities, increased economic threats, and clear targets, provided the conditions and catalysts for a new wave of indigenous mobilization throughout the region" (in Burdick et al., 64). Goldfrank, in Beyond Neoliberalism in Latin America?, similarly contends that the decentralization arising from neoliberalism created new political arenas, which made municipal governments more relevant as potential showcases for leftist actors. Though different in duration and design, Goldfrank's case studies of the United Left in Lima, the Workers' Party in Porto Alegre, the Broad Front in Montevideo, the Radical Cause in Caracas, and the Party of the Democratic Revolution in Mexico City all illustrate that the left could learn how to develop and implement a new political agenda from the challenges it has faced.

## 2

#### Text: The United States federal government should conduct a binding regulatory negotiation over the substance, implementation and enforcement of the agreement between the United States and United Mexican States concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico. The United States federal government should implement the results of the negotiation.

#### The counterplan solves the whole case–regulatory negotiations facilitate consensus decisions quickly that are legitimate and enforced

**Harter ’97** (Phillip, JD at University of Michigan, 46 Duke L.K. p. 1399-1400)

The most well developed of these techniques, other than the public hearings and meetings that are adjuncts of the APA itself, is negotiated rulemaking (reg neg). Fifteen years ago, when the theory of negotiated rulemaking was just emerging, I predicted a number of major benefits from the practice. **[44](http://www.lexis.com/research/retrieve?_m=373a7335236403c264137598778ee3b5&csvc=le&cform=&_fmtstr=FULL&docnum=1&_startdoc=1&wchp=dGLbVtb-zSkAk&_md5=6f676b3214d29efa7f3d91c85a1be57a" \l "n44#n44" \t "_self)** Among them was the fact that the parties would be able to participate directly and immediately in the decision, thereby **providing a legitimacy** that is missing from hybrid rulemaking. In addition, the costs of developing the rule may be lower since the parties would not have to engage in as much adversarial research and positioning. The parties could focus on the issues that actually separate them and on the issues of importance to them. "Rulemaking by negotiation **can reduce the time and cost** of developing regulations by emphasizing practical and empirical concerns rather than theoretical predictions." The parties have the experience and ability to focus on the details necessary to make a rule work day-to-day in the field. Interestingly, the lack of judicial review was not advocated as a prime benefit. It would be a likely ancillary benefit of the parties' **mutual acceptance** of the rule and its ensuing legitimacy, but was not an end in itself. Such were the predictions before any reg negs were actually undertaken. Formal evaluations are extraordinarily expensive and face the difficulties inherent in making counter-factual predictions (i.e., what would have happened if some other process were used to develop the rule), or finding a suitably analogous rule with which to compare a given proceeding. [46](http://www.lexis.com/research/retrieve?_m=373a7335236403c264137598778ee3b5&csvc=le&cform=&_fmtstr=FULL&docnum=1&_startdoc=1&wchp=dGLbVtb-zSkAk&_md5=6f676b3214d29efa7f3d91c85a1be57a" \l "n46#n46" \t "_self) As a result, few formal evaluations have been conducted, so that it is difficult to determined by the traditional notice-and-comment process. The study is currently being conducted for the EPA by Cornelius M. Kerwin, Dean of the School of Public Affairs at American University and Professor Laura I. Langbein. They have released a draft report of their analysis of the reg neg portion of their study. [47](http://www.lexis.com/research/retrieve?_m=373a7335236403c264137598778ee3b5&csvc=le&cform=&_fmtstr=FULL&docnum=1&_startdoc=1&wchp=dGLbVtb-zSkAk&_md5=6f676b3214d29efa7f3d91c85a1be57a" \l "n47#n47" \t "_self) Their initial conclusions include: Based on the data presented above, negotiated rulemaking is successful on several critical dimensions. It is **widely perceived** by participants as an effective means for developing regulations **on virtually all important qualitative dimensions**. The criteria established in literature and law for the selection of candidates for reg neg appear to be relevant in the selection process used by EPA, although their importance appears to vary from case to case and the discretion exercised by key Agency officials in the use of techniques is obviously considerable. The opportunity to participate in the process appears to be extended broadly, albeit not universally, and EPA or the facilitator it secured were frequently identified as an initiator of participation The process of negotiation itself emerges as a very powerful vehicle for learning what the participants in the process value highly, and there are many types of information that is exchanged. The interviews suggest further that what is learned has long-term value and is not confined to a particular rulemaking... The negotiation process employs a number of devices to subdivide issues, such as working groups and caucuses, that were viewed as effective by a substantial number of respondents. And the use of non-committee observers serves as a device to expand participation without inflating the negotiating groups past workable limits. Facilitators were generally viewed as competent, unbiased and providing a number of services that promoted consensus. Most participants believe their participation had a substantial effect on the agreement that was produced and report that the opportunity to have an impact on the outcome was one of the aspects of the process they considered most valuable.

## 3

#### House GOP won’t let the government shut down – key leaders will ultimately pass a bipartisan bill

Fox News 9/29 (House leadership says it still has options to avoid government shutdown, 2013, <http://www.foxnews.com/politics/2013/09/29/house-leadership-says-it-still-has-options-to-avoid-government-shutdown/>)

A House Republican leader said Sunday the chamber has several last-minute options to avoid a government shutdown should the Senate reject a temporary spending bill the House passed early Sunday morning that includes a one-year delay for ObamaCare. House Majority Whip Kevin McCarthy stuck with House leadership’s insistence that its proposal can indeed pass in the Democrat-controlled Senate, but acknowledged having an alternative plan. “You assume they won’t vote for it. Let’s have that debate,” the California Republican told “Fox News Sunday.” But “we have other options for the Senate to look at.” The government would technically run out of money Monday night should Congress fail to pass a temporary spending bill, resulting in a partial government shutdown that would begin with hundreds of thousands of government workers likely being sent home from work without pay. The House proposal passed early Sunday morning includes two amendments to a spending bill passed Friday by the Senate. One delays ObamaCare for a year and the other repeals the law’s medical device tax. The lower chamber also passed a bill to pay the military on time should a government shutdown occur. Just hours after House Republicans announced their plan Saturday afternoon, the White House vowed President Obama would veto it. And Senate Majority Leader Harry Reid made clear it was unacceptable. “To be absolutely clear, the Senate will reject both the one-year delay of the Affordable Care Act and the repeal of the medical device tax," Reid said. "After weeks of futile political games from Republicans, we are still at square one." Earlier this month, the Senate rejected a House spending bill to defund ObamaCare, despite a filibuster-style effort by Tea Party-backed, Texas GOP Sen. Ted Cruz. McCarthy declined to tell Fox News whether one of the proposals would be passing a so-called “clean” spending bill, or continuing resolution, which would keep open the government for a few days until Congress agrees on a longer-term plan. But he insisted the House will not be responsible for a shutdown and that it will offer a proposal with Democratic support. “We are not shutting the government down,” he said. “While the president was out playing golf [Saturday], we were here until 1 a.m. We will pass a bill that reflects this House. … I think they’ll be additions that Democrats can support.”

#### That spills-over to government shutdown and US default—that kills the economy and US credibility

Norm Ornstein, resident scholar at the American Enterprise Institute, 9/1/13, Showdowns and Shutdowns, www.foreignpolicy.com/articles/2013/09/01/showdowns\_and\_shutdowns\_syria\_congress\_obama

Then there is the overload of business on the congressional agenda when the two houses return on Sept. 9 -with only nine legislative days scheduled for action in the month. We have serious confrontations ahead on spending bills and the debt limit, as the new fiscal year begins on Oct. 1 and the debt ceiling approaches just a week or two thereafter. Before the news that we would drop everything for an intense debate on whether to strike militarily in Syria, Congress-watchers were wondering how we could possibly deal with the intense bargaining required to avoid one or more government shutdowns and/or a real breach of the debt ceiling, **with** devastating consequences for American credibility **and the** international economy. Beyond the deep policy and political divisions, Republican congressional leaders will likely use both a shutdown and the debt ceiling as hostages to force the president to cave on their demands for deeper spending cuts. **Avoiding this end-game bargaining will require** the unwavering attention of the same top leaders in the executive and legislative branches who will be deeply enmeshed in the Syria debate. The possibility -even probability -of disruptions caused by partial shutdowns could complicate any military actions. The possibility is also great that the rancor that will accompany the showdowns over fiscal policy will bleed over into the debate about America and Syria.

#### Nuclear war

Harris and Burrows ‘9

(Mathew, PhD European History at Cambridge, counselor in the National Intelligence Council (NIC) and Jennifer, member of the NIC’s Long Range Analysis Unit “Revisiting the Future: Geopolitical Effects of the Financial Crisis” <http://www.ciaonet.org/journals/twq/v32i2/f_0016178_13952.pdf>, AM)

Of course, the report encompasses more than economics and indeed believes the future is likely to be the result of a number of intersecting and interlocking forces. With so many possible permutations of outcomes, each with ample Revisiting the Future opportunity for unintended consequences, there is a growing sense of insecurity. Even so, history may be more instructive than ever. While we continue to believe that the Great Depression is not likely to be repeated, the lessons to be drawn from that period include the harmful effects on fledgling democracies and multiethnic societies (think Central Europe in 1920s and 1930s) and on the sustainability of multilateral institutions (think League of Nations in the same period). There is no reason to think that this would not be true in the twenty-first as much as in the twentieth century. For that reason, the ways in which the potential for greater conflict could grow would seem to be even more apt in a constantly volatile economic environment as they would be if change would be steadier. In surveying those risks, the report stressed the likelihood that terrorism and nonproliferation will remain priorities even as resource issues move up on the international agenda. Terrorism’s appeal will decline if economic growth continues in the Middle East and youth unemployment is reduced. For those terrorist groups that remain active in 2025, however, the diffusion of technologies and scientific knowledge will place some of the world’s most dangerous capabilities within their reach. Terrorist groups in 2025 will likely be a combination of descendants of long established groups\_inheriting organizational structures, command and control processes, and training procedures necessary to conduct sophisticated attacks\_and newly emergent collections of the angry and disenfranchised that become self-radicalized, particularly in the absence of economic outlets that would become narrower in an economic downturn. The most dangerous casualty of any economically-induced drawdown of U.S. military presence would almost certainly be the Middle East. Although Iran’s acquisition of nuclear weapons is not inevitable, worries about a nuclear-armed Iran could lead states in the region to develop new security arrangements with external powers, acquire additional weapons, and consider pursuing their own nuclear ambitions. It is not clear that the type of stable deterrent relationship that existed between the great powers for most of the Cold War would emerge naturally in the Middle East with a nuclear Iran. Episodes of low intensity conflict and terrorism taking place under a nuclear umbrella could lead to an unintended escalation and broader conflict if clear red lines between those states involved are not well established. The close proximity of potential nuclear rivals combined with underdeveloped surveillance capabilities and mobile dual-capable Iranian missile systems also will produce inherent difficulties in achieving reliable indications and warning of an impending nuclear attack. The lack of strategic depth in neighboring states like Israel, short warning and missile flight times, and uncertainty of Iranian intentions may place more focus on preemption rather than defense, potentially leading to escalating crises. 36 Types of conflict that the world continues to experience, such as over resources, could reemerge, particularly if protectionism grows and there is a resort to neo-mercantilist practices. Perceptions of renewed energy scarcity will drive countries to take actions to assure their future access to energy supplies. In the worst case, this could result in interstate conflicts if government leaders deem assured access to energy resources, for example, to be essential for maintaining domestic stability and the survival of their regime. Even actions short of war, however, will have important geopolitical implications. Maritime security concerns are providing a rationale for naval buildups and modernization efforts, such as China’s and India’s development of blue water naval capabilities. If the fiscal stimulus focus for these countries indeed turns inward, one of the most obvious funding targets may be military. Buildup of regional naval capabilities could lead to increased tensions, rivalries, and counterbalancing moves, but it also will create opportunities for multinational cooperation in protecting critical sea lanes. With water also becoming scarcer in Asia and the Middle East, cooperation to manage changing water resources is likely to be increasingly difficult both within and between states in a more dog-eat-dog world.

## 4

#### Oil balanced slightly above $100 now, but it’s tenuous – market shift causes price decrease

Sampson 9/26 (Pamela, AP Business Writer, “Oil Dips Below $103 as Diplomacy on Syria Advances”, ABC News, 9/26/13, <http://abcnews.go.com/International/wireStory/oil-price-hangs-month-low-20379334>)

Oil prices fell Friday, a day after the U.N. Security Council made progress in the quest to get Syria to relinquish its chemical weapons.¶ Benchmark oil for November delivery fell 57 cents to $102.46 per barrel at late afternoon Bangkok time in electronic trading on the New York Mercantile Exchange.¶ The council's five permanent members on Thursday agreed to a resolution calling for Syria to get rid of its chemical weapons. That helped ease fears of an escalation in Syria's civil war since the U.S. has been threatening to attack Syria in retaliation for what Washington says was a chemical gas attack by forces loyal to President Bashar Assad against civilians in suburban Damascus.¶ The prospect of an attack, and the potential for a disruption in oil supply routes, caused oil prices to spike in recent weeks. Prices have gradually fallen in recent days as diplomacy over Syria advanced. The progress at the U.N. on Thursday maintained the downward trend on the price of oil, said Ken Hasegawa, energy analyst at Newedge Brokerage in Tokyo.¶ Upbeat news about the U.S. economy pushed prices higher Thursday. The contract for benchmark crude gained 37 cents Thursday to close at $103.03 a barrel on the New York Mercantile Exchange. Oil had dropped $5.41, or 5 percent, over the five previous trading sessions.¶ Oil prices rose as data showed that the number of Americans seeking unemployment benefits fell 5,000 last week to a seasonally adjusted 305,000, the second-lowest level in six years. The U.S. economy, meanwhile, was confirmed to have grown an annualized 2.5 percent in the April-June period.¶ Brent crude, the benchmark for international crudes used by many U.S. refineries, fell 33 cents to $108.88 a barrel on the ICE Futures exchange in London.

#### Oil prices will stay high now because of Mexico production downturn—plan causes major drop in oil prices by jumpstarting Mexican production

Alter, 12 [DIANE ALTER](http://moneymorning.com/author/dalter/), Contributing Writer, Money Morning, “[Oil Prices Promise to Head Higher As Mexican Production Dwindles](http://moneymorning.com/2012/08/24/oil-prices-promise-to-head-higher-as-mexican-production-dwindles/),” August 24, 2012, http://moneymorning.com/2012/08/24/oil-prices-promise-to-head-higher-as-mexican-production-dwindles/

According to the U.S. Energy Information Administration (EIA), Mexican oil production reached a peak of 3.2 million barrels a day in 2008. And by 2011, it wasn't even producing 3 million barrels a day. Since then oil production has slipped to 2.5 million barrels a day. Worse still, Mexico could actually become a net importer of oil within a decade if it cannot find fresh discoveries to make up for the 25% production drop since 2004 and fails to change its current policies. Higher Oil Prices Worldwide Mexico is currently ranked No. 7 on the list of the world's top oil producers, so less Mexican oil production would also mean higher oil prices worldwide. The loss of Mexico's 1 million barrels a day in exports over an extended period would be a greater blow than the total lost due to sanctions on Iran. While the effects of Mexico's lagging oil production are clear, the causes are more complex. The root of the problem is years of neglect and a government-enforced monopoly. Nationalized in 1938, Mexico's oil industry has prohibited oil behemoths like Exxon Mobil (NYSE: [XOM](http://www.google.com/finance?q=XOM)), BP (NYSE ADR: [BP](http://www.google.com/finance?q=bp)) and others from taking any sizable stake in the country's oil operations. If it allowed more investments from international oil companies, Mexico could revive production, industry analysts say. But that won't be easy. Petroleos Mexicancos, PEMEX, has sole control of the Mexican oil industry and doles out over 32% of its revenue to Mexico's government. But while the Mexican government likes the oil revenue, it has failed to re-invest enough money back into the industry. Mexican lawmakers have long resisted providing PEMEX with the funds needed to find new sources of crude.

#### Russia is on the brink—$100 key to prevent complete collapse

**Whitmore 13** (Brian, Senior Correspondent in RFE/RL's Central Newsroom, covering ... security, energy and military issues and domestic developments in Russia, “After The Storm: Trends To Watch In Russia In 2013”, January 02, 2013, The Power Vertical)

It began with a roar and it ended with a whimper. As 2012 wound down in Russia, the soaring expectations for change that accompanied the civic awakening and mass protests at the year’s dawn had clearly faded. But the social, economic, and political forces that spawned them will continue to shape the landscape well into the new year. A fledgling middle class remains hungry for political change, splits still plague the ruling elite over the way forward, and a fractious opposition movement continues to struggle to find its voice. With the Kremlin unable to decisively squelch the mounting dissent and the opposition unable to topple President Vladimir Putin, Russia has entered an uneasy holding pattern that has the feel of an interlude between two epochs. "I don't think we are at the end of the Putin era, but we are at the beginning of the end," says longtime Russia-watcher Edward Lucas, international editor of the British weekly "The Economist" and author of the recently published book "Deception." With economic headwinds on the horizon, generational conflict brewing, and new political forces developing, Russian society is changing -- and changing rapidly. But the political system remains ossified. So what can we expect in 2013? Below are several trends and issues to keep an eye on in the coming year. The Oil Curse: Energy Prices And The Creaking Welfare State If 2012 was all about politics, 2013 will also be about economics. The Russian economy, the cliche goes, rests on two pillars -- oil and gas. And both will come under increasing pressure as the year unfolds. World oil prices, currently hovering between $90 and $100 per barrel, are expected to be volatile for the foreseeable future. And any sharp drop could prove catastrophic for the Russian economy. Energy experts and economists say Russia's budget will only stay balanced if oil prices remain between $100 and $110 per barrel. Five years ago, the figure needed for a balanced budget was $50 to $55.

#### Extinction

**Oliker 2** (Olga and Tanya Charlick-Paley, RAND Corporation Project Air Force, Assessing Russia’s Decline – Trends and Implications for the United States and the U.S. Air Force, RAND)

The preceding chapters have illustrated the ways in which Russia’s decline affects that country and may evolve into challenges and dangers that extend well beyond its borders. The political factors of de- cline may make Russia a less stable international actor and other factors may increase the risk of internal unrest. Together and sepa- rately, they increase the risk of conflict and the potential scope of other imaginable disasters. The trends of regionalization, particu- larly the disparate rates of economic growth among regions com- bined with the politicization of regional economic and military inter- ests, will be important to watch. The potential for locale, or possibly ethnicity, to serve as a rallying point for internal conflict is low at pre- sent, but these factors have the potential to feed into precisely the cycle of instability that political scientists have identified as making states in transition to democracy more likely to become involved in war. These factors also increase the potential for domestic turmoil, which further increases the risk of international conflict, for instance if Moscow seeks to unite a divided nation and/or demonstrate globally that its waning power remains something to be reckoned with. Given Russia’s conventional weakness, an increased risk of conflict carries with it an increased risk of nuclear weapons use, and Russia’s demographic situation increases the potential for a major epidemic with possible implications for Europe and perhaps beyond. The dangers posed by Russia’s civilian and military nuclear weapons complex, aside from the threat of nuclear weapons use, create a real risk of proliferation of weapons or weapons materials to terrorist groups, as well as perpetuating an increasing risk of accident at one of Russia’s nuclear power plants or other facilities. These elements touch upon key security interests, thus raising serious concerns for the United States. A declining Russia increases the likelihood of conflict—internal or otherwise—and the general de- terioration that Russia has in common with “failing” states raises se- rious questions about its capacity to respond to an emerging crisis. A crisis in large, populous, and nuclear-armed Russia can easily affect the interests of the United States and its allies. In response to such a scenario, the United States, whether alone or as part of a larger coalition, could be asked to send military forces to the area in and around Russia. This chapter will explore a handful of scenarios that could call for U.S. involvement. A wide range of crisis scenarios can be reasonably extrapolated from the trends implicit in Russia’s decline. A notional list includes: • Authorized or unauthorized belligerent actions by Russian troops in trouble-prone Russian regions or in neighboring states could lead to armed conflict. • Border clashes with China in the **Russian Far East** or between Russia and Ukraine, the Baltic states, Kazakhstan, or another neighbor could escalate into interstate combat. • Nuclear-armed terrorists based in Russia or using weapons or materials diverted from Russian facilities could threaten Russia, Europe, Asia, or the United States. • Civil war in Russia could involve fighting near storage sites for nuclear, chemical, or biological weapons and agents, risking large-scale contamination and humanitarian disaster. • A nuclear accident at a power plant or facility could endanger life and health in Russia and neighboring states. • A chemical accident at a plant or nuclear-related facility could endanger life and health in Russia and neighboring states. • Ethnic pogroms in south Russia could force refugees into Georgia, Azerbaijan, Armenia, and/or Ukraine. Illustrative Scenarios • Economic and ethnic conflicts in Caucasus could erupt into armed clashes, which would endanger oil and gas pipelines in the region. • A massive ecological disaster such as an earthquake, famine, or epidemic could spawn refugees and spread illness and death across borders. • An increasingly criminalized Russian economy could create a safe haven for crime or even terrorist-linked groups. From this base, criminals, drug traders, and terrorists could threaten the people and economies of Europe, Asia, and the United States. • Accelerated Russian weapons and technology sales or unautho- rized diversion could foster the **proliferation** of weapons and weapon materials to rogue states and nonstate terrorist actors, increasing the risk of nuclear war. This list is far from exhaustive. However significant these scenarios may be, not all are relevant to U.S. military planning. We therefore applied several criteria to the larger portfolio of potential scenarios, with an eye to identifying the most useful for a more detailed discus- sion. First, only those scenarios that involve a reasonable threat to U.S. strategic interests were considered. Second, while it is impor- tant to plan for the unexpected, it is equally crucial to understand the likelihood of various events. We thus included a range of probabili- ties but eliminated those that we considered least plausible. Third, we only chose scenarios for which the Western response would likely be military or would rely on considerable military involvement. Lastly, we wanted to select a variety of situations, ones that created differing imperatives for the U.S. government and its Air Force, rather than scenarios, which, while equal in significance, present fairly similar problems. We therefore offer the following four story- lines as illustrative, if far from exhaustive, of the types of challenges that would be presented by operations on or near Russian territory.

## Relations

#### Drug cooperation is high now and will continue to grow – Nieto and Obama’s meetings

FNL 7/5 [July 5, 2013. Fox News Latino. “U.S. Wants More Intelligence Cooperation With Mexico, White House Report States” http://latino.foxnews.com/latino/news/2013/07/05/us-wants-more-intelligence-cooperation-with-mexico-white-house-report-states/#ixzz2aos85oqW]

A newly released White House report on the U.S. border with Mexico highlights the Obama administration's strategic shift toward forgoing a closer working relationship with its southern neighbor. This, despite recent restrictions by Enrique Peña Nieto's government on who American intelligence services can contact in Mexico. The White House's 2013 National Southwest Border Counternarcotics Strategy illustrated nine points that focus on interdiction, tackling drug cartels along the border, halting money laundering, building up stronger communities and strengthening ties between the two nations in terms of counternarcotics. “The U.S.-Mexican bilateral relationship continues to grow based on strong, multi-layered institutional ties,” the report stated. “Based on principles of shared responsibility, mutual trust, and respect for sovereign independence, the two countries’ efforts have built confidence that continues to transform and strengthen the bilateral relationship in 2013 and beyond.” While the U.S. report touts a need for greater cooperation, new Mexican security policies could hamper that. A recent decision by the Mexican government has ordered a halt in direct communications between American intelligence agencies and their counterparts south of the border. Now instead of directly consulting local law enforcement, agencies like the DEA and FBI will have to contact Mexico's Interior Ministry before being passed along through the proper channels. Intelligence sharing, however, was a major talking point when President Barack Obama met with his Mexican counterpart back in May. Despite scarce details about the meeting, the two leaders discussed border security and the use of drones along the 1,954-mile shared border. Peña Nieto downplayed the notion that the new, more centralized arrangement would damage its security partnership with the United States. He said Obama agreed during their private meeting earlier in the day to "cooperate on the basis of mutual respect" to promote an efficient and effective strategy. "I think the U.S. government wants to make sure that Peña Nieto is on the same page as Obama, that he wants to pursue the cartels as consistently and aggressively as [former Mexican President] Calderón did during his presidency," Alex Sanchez, a security analyst at the Council on Hemispheric Affairs, told ABC News. Even as the Obama administration hopes that Peña Nieto will continue to go on the offensive against the drug cartels in Mexico, the report suggests a more humanitarian approach to the drug war. Besides counternarcotics efforts, a solid portion of the report concerns community building measures along the border, ways to deal with substance abuse and violence, as well as health and education programs. “The crime and breakdown in public health and safety that affect many border communities has a close nexus with substance use —including abuse of alcohol and other drugs— can have a far-reaching effect on the resilience of communities,” the report stated. “Heavily Hispanic communities along the border have been particularly hard hit.” The report’s focus on community building seems to go along with Peña Nieto’s strategy in combating the drug war. Instead of the “kingpin” approach that his predecessor Felipe Calderón took, which focused on apprehending or killing high-ranking cartel members, Peña Nieto has moved to a plan to reduce the levels of violence in the country and bolster trust of law enforcement among the populace. The report has some analysts hopeful that there will be better working relations between the U.S. and Mexico, especially in light of the new rules concerning U.S. intelligence agencies. “The election of Peña Nieto sparked vocal concerns among U.S. political leaders over his stated desire to move priorities away from arrests and drug seizures, and towards violence reduction, and there have also been reports of tensions between the incoming government and U.S. officials over the level of U.S. involvement in Mexican security policies,” the Latin American intelligence website Insight Crime stated. “However, the U.S. strategy displays no sign of this friction, only expressing a desire to increase cooperation, which despite the public murmuring is likely to be the case.”

#### Drug violence is declining

Bargent 2-7-13 (James, Independent journalism from Colombia and Latin America, “Mexico Drug War Violence Slowing: Report”, Febraury 7th, 2013, http://www.insightcrime.org/news-briefs/mexico-drug-war-violence-slowing-report)

A new report analyzing the data behind Mexico’s drug war shows in 2012 organized crime related killings declined or leveled off while becoming increasingly concentrated in key strategic areas. The report, compiled by the San Diego University’s Trans-Border Institute, analyzed a range of data sources -- both official and independent -- to build a comprehensive picture of the shifting violence patterns in Mexico. The most significant trend identified was the slowing rate of drug war killings. While the conclusions of different data sets varied widely, they agreed that in 2012 the substantial year on year increases Mexico has seen since 2007 came to an end. According to data collated by Mexican newspaper Reforma, organized crime related murders dropped by over 21 percent, falling to 8,989 from 12,284. Projections for the government’s as yet unreleased figures show a 28% drop. However, figures from another media source, Milenio, showed an increase in its crime related murder tallies but by less than 1 percent – far lower than in previous years. The report also highlights how Mexico’s drug war violence is increasingly concentrated. Between 2007 and 2011, the number of municipalities that recorded no murders dropped by 28 percent, while the number of municipalities with 25 or more annual homicides grew from 50 to 240. However, in 2012, (for which, the report points out, the data set is incomplete) the number of municipalities free from violence increased 16% while the number with more than 25 homicides decreased more than 25% to 178. Over half the organized crime linked murders nationwide came from just five states; Sinaloa, Chihuaha, Nuevo Leon, Guerrero and Coahuila (although the order depends of the data set). 2012 also saw Acapulco assume the mantle of Mexico’s most violent city, even though the murder rate leveled off, while the cities of Monterrey, Torreon, and Nuevo Laredo posted the largest increases in crime related killings. InSight Crime While the authorities will probably lay claim to the slowdown in drug violence, it is likely a more influential factor has been changing dynamics in the Mexican underworld, as reflected by the shifting geographical patterns.

#### Latin American stability growing – Brazil leading

Xinhau 1-26-13 (Xinahu Times, “News Analysis: Latin America's economic stability arouses envy of EU”, January 26th, 2013, http://news.xinhuanet.com/english/indepth/2013-01/26/c\_132129380.htm)

Meanwhile, Latin America, led by Brazil, has experienced years of steady growth, though at lower levels than expected. Brazil had just two quarters of shrinking gross domestic product, both in 2008, when the world entered an economic tailspin following the financial crisis in the United States. It reported 0.6-percent growth in the last quarter of 2012. Brazil has done a better job of supporting potentially fragile neighbors than Germany, whose demands of austerity have caused political turmoil in Greece and an unemployment spiral in Spain. Through its state banks, such as the National Development Bank, Brazil has been providing loans to shaky southern neighbor Argentina to keep its financial system stable and businesses in motion. Chile, host nation of the first summit between the Community of Latin American and Caribbean States (CELAC) and the European Union, has done even better, ending last year with a 5.5-percent GDP growth, thanks in large part to high prices for copper, its major export.

#### Status quo solves—Obama has moved to multilateralism on Libya and beyond. The UN is back, and other nations are following the US lead!

**World Outline**, postgraduate student in international affairs at King’s College, **1/24**/2012

[“How valuable is multilateral diplomacy in a post-9/11 world?,” http://worldoutline.wordpress.com/2012/01/24/how-valuable-is-multilateral-diplomacy-in-a-post-911-world/]

At the turn of the last century, 189 world leaders convened at the Millennium Summit and approved the Millennium Declaration which outlined eight specific goals that the United Nations was to achieve by 2015.[4] Yet, just a year later the 9/11 terrorist attacks tilted the world upon its head. The Security Council was rallied into action after the attacks and unanimously backed the United States against the threat which had caused so much devastation.[5] However, a wounded United States became increasingly relentless and unilateral in their ‘War on Terror’; when the Security Council refused to authorise a US attack upon an allegedly nuclear-armed Iraq, the United States, led by George. W. Bush, launched the assault anyway without UN approval.[6] This has been referred to as the ‘crisis of multilateralism’, as the United States undermined the very institution of which it is the biggest financial contributor and the most influential player.[7] If the founding member of the UN was refusing to follow the guidelines of the institution then why should other states follow the rules? This act set a worrying precedent for the rest of the world and, as Kofi Annan asserted, ‘undermined confidence in the possibility of collective responses to our common problems’.[8] Other instances of American unilateralism are Bush’s abstention from the Human Rights Council, his refusal to sign the Kyoto Protocol and the US departure from the Comprehensive Test Ban Treaty. The United States was losing sight of the benefits that multilateral diplomacy has to offer. However, the arrival of Barack Obama at the Oval Office has **revived multilateral values within US foreign policy**. The Obama administration has realised that it must now engage with the UN and this has marked a ‘**transitional moment in the history of multilateralism**’.[9] In his 2010 National Security Strategy, Obama acknowledged the fact that the US had been successful after the Second World War by pursuing their interests within multilateral forums such as the United Nations and not outside of them.[10] The global financial crisis of 2008 and the European Union’s sovereign debt crisis have demonstrated just how interdependent the economies of the western world are and these crises have created an age of austerity in which multilateralism is needed more than ever before.[11] The US has overstretched its resources and is now currently winding down two wars in Afghanistan and Iraq; they have realised that they simply do not have the means to conduct their foreign affairs exclusively anymore. **Clear indications of Washington’s improved multilateral engagement with the UN** since Obama’s inauguration, **and the changing attitude in US foreign policy**, are the economic sanctions negotiated over Iran, Obama’s decision for the US to join the Human Rights Council and, more specifically, its participation in the recent Libya mission. In Libya, the US provided support for the mission, yet played a subdued role in the campaign, allowing its European counterparts to take the lead. In contrast to his predecessor, Obama is displaying pragmatism rather than sentimentalism in his search for partners, making alliances in order to adapt to the emerging multipolar world; this is typified by Obama’s recent visit to the Asia-Pacific and his tour of South America (Brazil, Chile and El Salvador) in 2010. For the time being, US unipolarity looks to be a thing of the past; its **foreign policy is changing from Bush’s unilateralism at the start of the century to a more multilateral approach at the beginning of a new decade** under Obama.[12] This is the **correct precedent** that the most powerful nation in the world should be setting for other states to follow. The fact that the US is now engaging with the UN to counter global problems has restored the credibility that the UN had lost after the Iraq debacle and, by setting this example, **other nations will follow suit** and the international community as a whole can only benefit. From this change in US foreign policy, it is clear that multilateral diplomacy is of more value today than it was a decade ago.

## Spills

#### Drilling in the gulf causes spills even with regulations

Greenpeace 13 (Greenpeace, February 22, 2013, “Transboundary agreement spells disaster for the Gulf”, http://www.greenpeace.org/usa/en/media-center/news-releases/Transboundary-agreement-spells-disaster-for-the-Gulf/)//moxley

In response to the United States and Mexico signing an agreement to develop oil and gas reservoirs that cross the international maritime boundary between the two countries in the Gulf of Mexico Greenpeace United States and Mexico have signed their own transboundary agreement. Greenpeace US and Mexico signed the agreement concerning their governments continued obsession with helping the gas and oil industry profit off polluting the climate and devastating the Gulf of Mexico. “The US and Mexican governments say their agreement is “designed to enhance energy security in North America,” an impossibility given the continued support for fossil fuel production over secure, renewable energy sources. President Obama's failure to permanently reject the Keystone XL pipeline, his expanding coal mining on public lands, and approval of oil exploration in the Arctic lay the groundwork for this new policy,” said Greenpeace US Climate Campaigner Kyle Ash. “This agreement opens new areas to dangerous, expensive, and controversial offshore drilling techniques. This is what led to the deaths of eleven workers and over 200 million gallons of oil spewing into the Gulf just two years ago,’ said Mr Ash. “The US-Mexican joint statement called for “the highest degree of safety and environmental standards,” which the US Congress has failed to improve since the Deepwater disaster. A recent report from the National Research Council reaffirmed that deepwater drilling remains unsafe.” Drilling could take place in the Gulf at depths typically greater than 8,500 feet, deeper than at any drilling site in the world. The BP Deepwater Horizon catastrophe occurred in water 5,000 feet deep “Deepwater exploration is a huge risk to the environment and a waste of resources for the country. Each oil spill at sea disrupts the ecosystem, causing ecological disturbances, some temporary, others permanent. State-owned oil company Pemex has a history of oil spills off the coast of Tamaulipas, Veracruz, Tabasco and Campeche and now with plans for deepwater exploration in the Gulf of Mexico, the potential for disaster increases exponentially,” said Greenpeace Mexico Climate Campaigner Beatriz Olivera.

#### Gulf is resilient

Berywn 13 (Bob, Summit County Voice, “Environment: Is the Gulf of Mexico resilient to oil spills?”, April 9th, 2013, http://summitcountyvoice.com/2013/04/09/environment-is-the-gulf-of-mexico-resilient-to-oil-spills/)

Nearly three years after the Deepwater Horizon drill rig exploded and the busted Macondo Well spewed millions of gallons of crude into the Gulf of Mexico, scientists are still trying to figure out to what happened to all the oil. Only a tiny amount was captured or burned at the surface, and vast quantity — nobody knows exactly how much — was “dispersed” with chemicals injected directly into the stream of oil streaming out of the broken pipes, but a surprisingly large percentage of the oil may have been broken down by microbes. Some of the oil settled to the seafloor, damaging coral miles from the site of the disaster. There’s also evidence that the oil damaged Gulf of Mexico oysters growing in coastal areas, and sickened dolphins in Barataria Bay. And in Florida, researchers found remnants of the oil lingering in “scary high” concentrations in the splash zone along Gulf beaches. But overall, the Gulf may be more resilient than previously believed, according to Terry Hazen a bioremediation expert at the University of Tennessee-Oak Ridge National Laboratory. Hazen and his research team used a powerful new approach for identifying microbes in the environment to discover previously unknown and naturally occurring bacteria that consume and break down crude oil. They concluded that there was a population explosion among those bacteria already adapted to using oil as a food source. “It was surprising how fast they consumed the oil,” Hazen said. “In some locations, it took only one day for them to reduce a gallon of oil to a half gallon. In others, the half-life for a given quantity of spilled oil was six days … “The Deepwater Horizon oil provided a new source of nutrients in the deepest waters,” he said. Rather than culturing the microbes in a lab, the researchers combined genetic data and other analyses of the DNA, proteins and other footprints of bacteria to provide a more detailed picture of microbial life in the water. Their findings suggest that a great potential for intrinsic bioremediation of oil plumes exists in the deep sea and other environs in the Gulf of Mexico. Oil-eating bacteria are natural inhabitants of the Gulf because of the constant supply of oil as food. “The bottom line from this research may be that the Gulf of Mexico is more resilient and better able to recover from oil spills than anyone thought,” Hazen said. “It shows that we may not need the kinds of heroic measures proposed after the Deepwater Horizon spill, like adding nutrients to speed up the growth of bacteria that break down oil or using genetically engineered bacteria. The Gulf has a broad base of natural bacteria, and they respond to the presence of oil by multiplying quite rapidly.” Hazen recently presented his Deepwater Horizon disaster research findings at the 245th National Meeting and Exposition of the American Chemical Society, the world’s largest scientific society

#### Alt cause to ocean bio d

Craig 3 – 1AC Author (Robin Kundis Craig, Associate Dean for Environmental Programs @ Florida State University , “ARTICLE: Taking Steps Toward Marine Wilderness Protection? Fishing and Coral Reef Marine Reserves in Florida and Hawaii,” McGeorge Law Review, Winter 2003, 34 McGeorge L. Rev. 155

However, economic value, or economic value equivalents, should not be "the sole or even primary justification for conservation of ocean ecosystems. Ethical arguments also have considerable force and merit." 862 At the forefront of such arguments should be a recognition of how little we know about the sea - and about the actual effect of human activities on marine ecosystems. The United States has traditionally failed to protect marine ecosystems because it was difficult to detect anthropogenic harm to the oceans, but we now know that such harm is occurring - even though we are not completely sure about causation or about how to fix every problem. Ecosystems like the NWHI coral reef ecosystem should inspire lawmakers and policymakers to admit that most of the time we really do not know what we are doing to the sea and hence should be preserving marine wilderness whenever we can - especially when the United States has within its territory relatively pristine marine ecosystems that may be unique in the world.

<<Their ev ends here>>

We may not know much about the sea, but we do know this much: if we kill the ocean we kill ourselves, and we will take most of the biosphere with us. The Black Sea is almost dead, 863 its once-complex and productive ecosystem almost entirely replaced by a monoculture of comb jellies, "starving out fish and dolphins, emptying fishermen's nets, and converting the web of life into brainless, wraith-like blobs of jelly." 864 More importantly, the Black Sea is not necessarily unique.

**The Black Sea is a microcosm of what is happening to the ocean systems at large**. The stresses piled up: overfishing, oil spills, industrial discharges, nutrient pollution, wetlands destruction, the introduction of an alien species. The sea weakened, slowly at first, then collapsed with [\*266] shocking suddenness. The lessons of this tragedy should not be lost to the rest of us, because much of what happened here is being repeated all over the world. The ecological stresses imposed on the Black Sea were not unique to communism. Nor, sadly, was the failure of governments to respond to the emerging crisis. 865

Oxygen-starved "dead zones" appear with increasing frequency off the coasts of major cities and major rivers, forcing marine animals to flee and killing all that cannot. 866 Ethics as well as enlightened self-interest thus suggest that the United States should protect fully-functioning marine ecosystems wherever possible - even if a few fishers go out of business as a result.

#### No bio-d impact

Easterbrook 3(Gregg, senior fellow at the New Republic, “We're All Gonna Die!”, <http://www.wired.com/wired/archive/11.07/doomsday.html?pg=1&topic=&topic_set>=)

If we're talking about doomsday - the end of human civilization - many scenarios simply don't measure up. A single nuclear bomb ignited by terrorists, for example, would be awful beyond words, but life would go on. People and machines might converge in ways that you and I would find ghastly, but from the standpoint of the future, they would probably represent an adaptation. Environmental collapse might make parts of the globe unpleasant, but considering that the biosphere has survived ice ages, it wouldn't be the final curtain. Depression, which has become 10 times more prevalent in Western nations in the postwar era, might grow so widespread that vast numbers of people would refuse to get out of bed, a possibility that Petranek suggested in a doomsday talk at the Technology Entertainment Design conference in 2002. But Marcel Proust, as miserable as he was, wrote *Remembrance of Things Past* while lying in bed.

## Pemex

#### Production now – that’s sufficient to solve

WSJ, 3/2/13 (Wall Street Journal, 3/2/13, “Pemex Executive Says Oil Output Set to Rise,” http://online.wsj.com/article/SB10001424127887323978104578336673832410166.html?mod=googlenews\_wsj)

Mexico's level of crude-oil production will move higher as new wells come online at existing fields, giving state-run oil monopoly Petroleos Mexicanos, or Pemex, time to develop shale oil and gas resources in the medium term, followed by deep-water fields in subsequent years, the company's production chief said Friday. "We now see conditions for a return to higher output," Carlos Morales, Pemex's head of exploration and production, said in an interview. "Today we are producing 2.565 million barrels a day," he said. "We hope to be reaching the end of the administration [2018] with production around three million barrels a day." Pemex's predictions for output have failed in the past, with production falling in each of the past eight years from a peak of 3.4 million barrels a day in 2004. Since 2009, the yearly declines have been minimal, and production has increased in recent months. Mr. Morales carefully outlined how Pemex would raise production at existing fields. Big offshore assets such as Ku-Maloob-Zaap and Cantarell will hold at current levels through careful management, and two new offshore fields in shallow waters will add 280,000 barrels a day in the next few years. Output at the sprawling onshore Chicontepec fields will rise to 200,000 barrels a day from the current 75,000, and mature fields being revisited with new technology will be good for an additional 190,000 barrels a day, Mr. Morales said. The Pemex production chief says he expects the company's mix of oil sources to keep the production cost of crude around the current $6.80 per barrel. But while production over the next eight years or so will be dominated by existing projects, Pemex will be moving aggressively on exploiting shale oil and gas deposits, particularly those that are part of the Eagle Ford formation in Texas that crosses the border into Mexico. "We have drilled wells in shale that produce crude," Mr. Morales said. "The cost is around $30 per barrel," which is more expensive than the relatively easy oil in the shallow waters of the Gulf of Mexico but still highly profitable at current oil prices, he added. Pemex thinks Mexico could have as much as 60 billion barrels of crude oil equivalent in shale deposits, about evenly divided between oil and gas, Mr. Morales said. In the next few years, shale resources could undergo huge development because the technology to do so is already being widely used in the U.S.

#### Zero risk of Mexican collapse – best predictive models of state failure agree

Couch, 2012 (Neil, Brigadier, British Army, July 2012, “Mexico in Danger of Rapid Collapse’: Reality or Exaggeration?,” http://www.da.mod.uk/colleges/rcds/publications/seaford-house-papers/2012-seaford-house-papers/SHP-2012-Couch.pdf)

A ‘collapsed’ state, however, as postulated in the Pentagon JOE paper, suggests ‘a total vacuum of authority’, the state having become a ‘mere geographical expression’.16 Such an extreme hypothesis of Mexico disappearing like those earlier European states seems implausible for a country that currently has the world’s 14th largest economy and higher predicted growth than either the UK, Germany or the USA; that has no external threat from aggressive neighbours, which was the ‘one constant’ in the European experience according to Tilly; and does not suffer the ‘disharmony between communities’ that Rotberg says is a feature common amongst failed states.17,18 A review of the literature does not reveal why the JOE paper might have suggested criminal gangs and drug cartels as direct causes leading to state collapse. Crime and corruption tend to be described not as causes but as symptoms demonstrating failure. For example, a study for Defense Research and Development Canada attempting to build a predictive model for proximates of state failure barely mentions either.19 One of the principal scholars on the subject, Rotberg, says that in failed states, ‘corruption flourishes’ and ‘gangs and criminal syndicates assume control of the streets’, but again as effect rather than trigger.20 The Fund for Peace Failed States Index, does not use either of them as a ‘headline’ indicator, though both are used as contributory factors. This absence may reflect an assessment that numerous states suffer high levels of organised crime and corruption and nevertheless do not fail. Mandel describes the corruption and extreme violence of the Chinese Triads, Italian Mafia, Japanese Yakuza and the Russian Mob that, in some cases, has continued for centuries.21 Yet none of these countries were singled out as potential collapsed or failed states in the Pentagon’s paper. Indeed, thousands of Americans were killed in gang warfare during Prohibition and many people ‘knew or at least suspected that politicians, judges, lawyers, bankers and business concerns collected many millions of dollars from frauds, bribes and various forms of extortion’.22 Organised crime and corruption were the norm in the political, business, and judicial systems and police forces ran their own ‘rackets’ rather than enforcing the law.23 Neither the violence nor the corruption led to state failure.

#### Reforms coming now – those solve

Cattan and Espinosa, 7/10/13 (Nacha and Veroníca Navarro, Bloomberg Businessweek, “Mexico Oil Monopoly Ending to Pemex as JPMorgan Sees Reform (3)”, http://www.businessweek.com/news/2013-07-10/mexico-poised-to-end-state-energy-monopoly-pemex-official-says)

The country needs “very deep” reforms to lure investment to its natural gas and crude fields after eight years of declining oil output, and proposed changes could be ready by the end of summer, Hector Moreira, who also is a former official in the country’s Energy Ministry, said today at the Bloomberg Mexico Conference in New York. A congressional bill to open the oil monopoly would prompt as much as $50 billion in annual investments if approved, he said. Much-needed changes will open the way for faster growth and a stronger currency in the region’s second-largest economy, Gray Newman, Morgan Stanley’s chief Latin American economist, said at the event. Officials from JPMorgan Chase & Co. and Grupo Financiero Banorte said they’re optimistic President Enrique Pena Nieto will lead a successful effort at reforms this year. “This administration doesn’t only have the willingness, but the political power and political capital” to enact the changes, Gabriel Casillas, Banorte’s chief Mexico economist, said. Casillas said he was “very bullish” on the peso, the best-performing major currency against the dollar this year, and that investors hadn’t yet priced in the reforms. Economic Slowdown A slowdown in economic expansion is putting pressure on Pena Nieto to gain approval to open the energy industry and change laws to boost tax collection, reforms he says may lift growth to 6 percent. “We need far more investment, we need capacity in production and we need technology,” Moreira said. “We need to transform the energy sector in a very deep way. I think now is the time.” The ruling Institutional Revolutionary Party has the ability to pass the key bills, which will attract investment and bolster Mexican markets, according to Eduardo Cepeda, the senior country officer for JPMorgan in Mexico. Mexico’s stock market may slump 10 percent if none of the promised reforms are carrier out this year, Cepeda said. Still, that could present a buying opportunity because the structural changes will eventually get done, he said.

#### US push for joint-ventures kills Pemex reforms

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

Nonetheless, the ability of the United States to encourage reform is severely limited. Mexican leaders are extremely sensitive to perceived "bullying" by the United States. Too public a U.S. position—particularly on opening up Mexican oil fields to foreign development—might actually undermine reform efforts. In any instance, the United States should be modest in its calls for reform in Mexico. After all, Mexico is not the only North American country with constitutional and cultural constraints on good public policy. As noted, the United States appears incapable of stopping the flow of weapons to Mexico. Recently queried on this. President Obama was reduced to spluttering about the Second Amendment to the U.S. Constitution.37 Both Mexico and the United States should avoid fetishizing the oil sector. Petroleum production is a means, not an end—a reality often forgotten by resource nationalists and industry experts alike. In Mexico, petroleum production is only one sector of an economy that has failed to deliver broad-based, sustained growth. The importance of oil is, to a large degree, a manifestation of Mexico's inability to develop an adequate taxation regime. We would not be discussing a potential crisis associated with declining production if the Mexican government were not so dependent on it for revenue. Ultimately, Mexicans must determine the future of the Mexican oil sector. They have by far the greatest economic stake in the development of their countries energy industry. It is they who must bear whatever costs—in terms of higher sectoral unemployment or steeper personal taxation— that restructuring the Mexican energy sector might entail. It is they who must endorse and, perhaps more importantly, sustain the political compromises necessary to attain reform.

#### Pemex decline doesn’t collapse the economy

FT ‘13 (Financial Times, 2/1/13, “Pemex blast puts onus on energy reforms,” http://www.ft.com/intl/cms/s/0/eb947824-6c88-11e2-953f-00144feab49a.html#axzz2NSCSJswg)

While the Mexican stock market has hit record highs recently and the economy is forecast to grow more than 3.5 per cent in 2013, faster than Brazil for the third year in a row, output at Pemex has slumped. From a peak of 3.4m barrels of oil a day in 2004, production has fallen to about 2.6m bpd. Experts say that without greater foreign investment and technology Mexico could cease to be a major energy exporter within six years, even though it sits on promising deepwater reserves in the Gulf of Mexico. “So what will the Pemex explosion mean for the national debate on energy reform? It puts Pemex firmly in the spotlight for a start,” tweeted Duncan Wood, director of the Mexico Institute at the Woodrow Wilson centre in Washington. “Pemex needs to be modernised from top to bottom, from exploration and production to basic practices ... Will legislators [now] recognise that Pemex has fallen behind the times?” The contrast between Pemex and the rest of Mexico’s export sector is stark. While foreign car and electronic goods manufacturers have poured investment into the country, boosting national exports to a record, under the Mexican constitution Pemex is only allowed to offer limited service contracts with private companies.

#### Mexican economy is resilient

Economist ‘12 (The Economist, “From darkness, dawn,” 11/24/12, http://www.economist.com/news/special-report/21566773-after-years-underachievement-and-rising-violence-mexico-last-beginning)

THE APOCALYPSE WAS on its way, and it would begin in Mexico. Where else? When archaeologists dug up Mayan calendars that ominously seemed to run out in the final days of 2012, some doomsayers predicted the end of the world. To many Mexicans it seemed like just another example of their country’s unending run of bad luck. The steepest recession on the American mainland, a plague of H1N1 swine flu and a deepening war against organised crime had made the preceding few years fairly grim. In 2009 the Pentagon had given warning that Mexico could become a “failed state”. Armageddon would be the icing on the cake. But it turns out that the Mayan glyphs were misunderstood. The men with magnifying glasses now say that the world is not about to end—in fact, it seems that the Mayans were predicting something more like a renewal or a fresh start. Could the same be true of Mexico? This special report will argue that there is a good chance of it. Some awful years are giving way to what, if managed properly, could be a prosperous period for Latin America’s second-largest economy. Big, irreversible trends, from a falling birth rate at home to rising wages in China, are starting to move in Mexico’s favour. At the same time the country’s leaders are at last starting to tackle some of the home-grown problems that have held it back. Many of the things that the world thinks it knows about Mexico are no longer true. A serially underachieving economy, repeatedly trumped by dynamic Brazil? Mexico outpaced Brazil last year and will grow twice as fast this year. Out-of-control population growth and an endless exodus to the north? Net emigration is down to zero, if not negative, and the fertility rate will soon be lower than that of the United States. Grinding poverty? Yes, but alleviated by services such as universal free health care. A raging drug war? The failure of rich countries’ anti-drugs policies means that organised crime will not go away. But Mexico’s murder rate is now falling, albeit slowly, for the first time in five years. A vast country with deeply ingrained problems and unreformed corners, Mexico could yet squander the opportunities that are coming its way. But there are signs that it is beginning to realise its potential. With luck, the dire predictions made by the Pentagon and others may turn out to be as reliable as a misread Mayan calendar.

#### Decline doesn’t cause 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.

#### Recent empirics go neg

Barnett, senior managing director of Enterra Solutions LLC, contributing editor/online columnist for Esquire, 8/25/’9

(Thomas P.M, “The New Rules: Security Remains Stable Amid Financial Crisis,” Aprodex, Asset Protection Index, <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

# 2nc

## K

### Overview

#### Collapse of neolib is inevitable but resuscitation is impossible---the plan locks-in environmental degradation, that makes it try or die for the alternative

Li ‘10

(Minqi, Chinese Political Economist, world-systems analyst, and historical social scientist, currently an associate professor of Economics at the University of Utah “The End of the “End of History”: The Structural Crisis of Capitalism and the Fate of Humanity”, *Science and Society* Vol. 74, No. 3, July 2010, 290–305)

In 2001, the U. S. stock market bubble started to collapse, after years of “new economy” boom. The Bush administration took advantage of the psychological shock of 9/11, and undertook a series of “preemptive wars” (first in Afghanistan and then in Iraq) that ushered in a new era of intensified inter-state conflicts. Towards the end of 2001, Argentina, which was regarded as a neoliberal model country, was hit by a devastating financial crisis. Decades of neoliberalism had not only undermined the living standards of the working classes, but also destroyed the material fortunes of the urban middle classes (which remained a key social base for neoliberalism in Latin America until the 1990s). After the Argentine crisis, neoliberalism completely lost political legitimacy in Latin America. This paved the way for the rise of several socialist-oriented governments on the continent. After the 2001 global recession, the global economy actually entered into a mini–golden age. The big semi-peripheral economies, the so-called “BRICs” (Brazil, Russia, India, and China) became the most dynamic sector. The neoliberal global economy was fueled by the super-exploitation of the massive cheap labor force in the semi-periphery (especially in China). The strategy worked, to the extent that it generated massive amounts of surplus value that could be shared by the global capitalist classes. But it also created a massive “realization problem.” That is, as the workers in the “emerging markets” were deprived of purchasing power, on a global scale, there was a persistent lack of effective demand for the industrial output produced in China and the rest of the semi-periphery. After 2001, the problem was addressed through increasingly higher levels of debt-financed consumption in the advanced capitalist countries (especially in the United States). The neoliberal strategy was economically and ecologically unsustainable. Economically, the debt-financed consumption in the advanced capitalist countries could not go on indefinitely. Ecologically, the rise of the BRICs greatly accelerated resource depletion and environmental degradation on a global scale. The global ecological system is now on the verge of total collapse. The world is now in the midst of a prolonged period of economic and political instability that could last several decades. In the past, the capitalist world system had responded to similar crises and managed to undertake successful restructurings. Is it conceivable that the current crisis will result in a similar restructuring within the system that will bring about a new global “New Deal”? In three respects, the current world historical conjuncture is fundamentally different from that of 1945. Back in 1945, the United States was the indisputable hegemonic power. It enjoyed overwhelming industrial, financial, and military advantages relative to the other big powers and, from the capitalist point of view, its national interests largely coincided with the world system’s common and long-term interests. Now, U. S. hegemony is in irreversible decline. But none of the other big powers is in a position to replace the United States and function as an effective hegemonic power. Thus, exactly at a time when the global capitalist system is in deep crisis, the system is also deprived of effective leadership.4 In 1945, the construction of a global “New Deal” involved primarily accommodating the economic and political demands of the western working classes and the non-western elites (the national bourgeoisies and the westernized intellectuals). In the current conjuncture, any new global “New Deal” will have to incorporate not only the western working classes but also the massive, non-western working classes. Can the capitalist world system afford such a new “New Deal” if it could not even afford the old one? Most importantly, back in 1945, the world’s resources remained abundant and cheap, and there was still ample global space for environmental pollution. Now, not only has resource depletion reached an advanced stage, but the world has also virtually run out of space for any further environmental pollution.

### FW

#### Assuming the role of the legislator lets us off the hook for our own responsibility in shaping social change and reinforces powerlessness

Kappeler, 95 (Susanne, The Will to Violence, p. 10-11)

`We are the war' does not mean that the responsibility for a war is shared collectively and diffusely by an entire society - which would be equivalent to exonerating warlords and politicians and profiteers or, as Ulrich Beck says, upholding the notion of `collective irresponsibility', where people are no longer held responsible for their actions, and where the conception of universal responsibility becomes the equival­ent of a universal acquittal.' On the contrary, the object is precisely to analyse the specific and differential responsibility of everyone in their diverse situations. Decisions to unleash a war are indeed taken at particular levels of power by those in a position to make them and to command such collective action. We need to hold them clearly responsible for their decisions and actions without lessening theirs by any collective `assumption' of responsibility. Yet our habit of focusing on the stage where the major dramas of power take place tends to obscure our sight in relation to our own sphere of competence, our own power and our own responsibility - leading to the well-known illusion of our apparent `powerlessness’ and its accompanying phe­nomenon, our so-called political disillusionment. Single citizens - even more so those of other nations - have come to feel secure in their obvious non-responsibility for such large-scale political events as, say, the wars in Croatia and Bosnia-Hercegovina or Somalia - since the decisions for such events are always made elsewhere. Yet our insight that indeed we are not responsible for the decisions of a Serbian general or a Croatian president tends to mislead us into thinking that therefore we have no responsibility at all, not even for forming our own judgement, and thus into underrating the respons­ibility we do have within our own sphere of action. In particular, it seems to absolve us from having to try to see any relation between our own actions and those events, or to recognize the connections between those political decisions and our own personal decisions. It not only shows that we participate in what Beck calls `organized irresponsibility', upholding the apparent lack of connection between bureaucratically, institutionally, nationally and also individually or­ganized separate competences. It also proves the phenomenal and unquestioned alliance of our personal thinking with the thinking of the major powermongers: For we tend to think that we cannot `do' anything, say, about a war, because we deem ourselves to be in the wrong situation; because we are not where the major decisions are made. Which is why many of those not yet entirely disillusioned with politics tend to engage in a form of mental deputy politics, in the style of `What would I do if I were the general, the prime minister, the president, the foreign minister or the minister of defence?' Since we seem to regard their mega spheres of action as the only worthwhile and truly effective ones, and since our political analyses tend to dwell there first of all**,** any question of what I would do if I were indeed myself tends to peter out in the comparative insignificance of having what is perceived as `virtually no possibilities': what *I could* do seems petty and futile. For my own action I obviously desire the range of action of a general, a prime minister, or a General Secretary of the UN - finding expression in ever more prevalent formulations like `I want to stop this war', `I want military intervention', `I want to stop this backlash', or `I want a moral revolution." 'We are this war', however, even if we do not command the troops or participate in so-called peace talks, namely as Drakulic says, in our `non-comprehension’: our willed refusal to feel responsible for our own thinking and for working out our own understanding, preferring innocently to drift along the ideological current of prefabricated arguments or less than innocently taking advantage of the advantages these offer. And we `are' the war in our `unconscious cruelty towards you', our tolerance of the `fact that you have a yellow form for refugees and I don't' - our readiness, in other words, to build ident­ities, one for ourselves and one for refugees, one of our own and one for the `others'. We share in the responsibility for this war and its violence in the way we let them grow inside us, that is, in the way we shape `our feelings, our relationships, our values' according to the structures and the values of war and violence.

### --at: perm

#### The perm is neoliberalism---residual links are inertial and will gain strength with time---only a complete rejection solves

**Kovel 2** (Joel, Professor of Social Studies at Bard, The Enemy of Nature, p 142-3)

The value-term that subsumes everything into the spell of capital sets going a kind of wheel of accumulation, from production to consumption and back, spinning ever more rapidly as the inertial mass of capital grows, and generating its force field as a spinning magnet generates an electrical field. This phenomenon has important implications for the reformability of the system. Because capital is so **spectral**, and succeeds so well in ideologically mystifying its real nature, attention is constantly deflected from the actual source of eco-destabilization to the instruments by which that source acts. The real problem, however, is the whole mass of globally accumulated capital, along with the speed of its circulation and the class structures sustaining this. That is what generates the **force field**, in proportion to its own scale; and it is this force field, acting across the numberless points of insertion that constitute the ecosphere, that creates ever larger agglomerations of capital, sets the ecological crisis going, and keeps it from being resolved. For one fact may be taken as certain — that to resolve the ecological crisis as a whole, as against tidying up one corner or another, is radically **incompatible** with the existence of gigantic pools of capital, the force field these induce, the criminal underworld with which they connect, and, by extension, the elites who comprise the transnational bourgeoisie. And by not resolving the **crisis** as a whole, we open ourselves to the spectre of another mythical creature, the **many-headed hydra**, that **regenerated itself the more its individual tentacles** were chopped away. To realize this is to recognize that there **is no compromising** with capital, no schema of reformism that will clean up its act by making it act more greenly or efficiently We shall explore the practical implications of this thesis in Part III, and here need simply to restate the conclusion in blunt terms: green capital, or non-polluting capital, is preferable to the immediately ecodestructive breed on its immediate terms. But this is the lesser point, and diminishes with its very success. For green capital (or ‘socially/ecologically responsible investing’) exists, by its very capital-nature, essentially to create more value, and this leaches away from the concretely green location to join the great pool, and follows its force field into zones of greater concentration, expanded profitability — and greater ecodestruction.

### ALT

#### Even if they win our alt doesn’t solve you vote negative---neoliberalism frames decision making---radically breaking away from the way the status quo produces knowledge is key to solving oppression

**De Angelis 3** (Massimo, Dept of Economics at East London, The commoner, <http://www.ainfos.ca/03/jan/ainfos00479.html>)

Once we acknowledge the existence of the galaxy of alternatives as they emerge from concrete needs and aspirations, we can ground today's new political discourse in the thinking and practice of the actualization and the coordination of alternatives, so as each social node and each individual within it has the power to decide and take control over their lives. It is this actualization and this coordination that rescues existing alternatives from the cloud of their **invisibility**, because alternatives, as with any human product, are social products, and they need to be **recognized** and **validated socially**. Our political projects must push their way through beyond the existing forms of coordination, beyond the visible fist of the state, beyond the invisible hand of competitive markets, and beyond the hard realities of their interconnections that express themselves in today forms of neoliberal governance, promoting cooperation through competition and community through disempowerment. As I will argue, this new political discourse is based on the project of defending and extending the space of commons, at the same time building and strengthening communities through the social fields.

## Case

### Relations

#### a) New communication networks

AP 7/23 [July 23, 2013. Associated Press. “DHS secretary discusses cooperation with Mexican domestic security chief at border meeting” <http://articles.washingtonpost.com/2013-07-23/world/40859585_1_mexico-city-u-s-border-patrol-u-s-rep>]

Security cooperation with Mexico is as good as it has ever been with the new administration of President Enrique Pena Nieto, U.S. Homeland Security Secretary Janet Napolitano said Tuesday. Napolitano, who is leaving her post to head the University of California, met with Mexican Interior Secretary Miguel Angel Osorio Chong in this border city and announced plans for a bi-national security communications network and coordinated patrols between U.S. Border Patrol and Mexico’s Federal Police. No details of the programs were released. “What we have been working on is improved intelligence sharing between our countries on a real-time basis and making sure as, Secretary Osorio Chong said, that the gaps are filled and they are filled in a timely way,” Napolitano said. “But the emphasis on intel sharing, information sharing, making risk assessments that address the risk both countries face ... those things I think are continuing and are even stronger than they have been.” Napolitano’s visit comes one week after the capture of alleged Zeta leader Miguel Angel Trevino Morales, which appeared to be the result of U.S.-Mexico intelligence sharing. Mexico would not say what role the U.S. played in the capture, but the arrest and killing of many top capos has come with intelligence from U.S. law enforcement. Trevino Morales, considered among the most violent of Mexico’s drug lords, was caught July 15 by Mexican marines along with two others on a dirt road outside Nuevo Laredo, across the border from Laredo, Texas. It was a significant arrest for Pena Nieto, whose administration has been at pains to show it is not softening the pursuit of organized crime since he took office Dec. 1. His predecessor, Felipe Calderon, was repeatedly lauded by the U.S. for unprecedented cooperation between the two countries as he led an aggressive offensive against Mexico’s drug cartels. The Pena Nieto administration in April announced that contact for U.S. law enforcement would go through a “single door,” Osorio Chong’s office, signaling an end to direct sharing of resources and intelligence among law enforcement of both nations. U.S. Rep. Henry Cuellar, a Democrat from Laredo, said Tuesday that he had congratulated Osorio Chong following Trevino Morales’ arrest and called it the latest sign of cooperation. “The U.S. has helped provide for a while intelligence to make sure that they’re successful in reaching targets,” Cuellar said. The meetings took place just inside Mexico at the end of an international bridge linking Matamoros and Brownsville, Texas. Security was heavy at both ends of the bridge, with dog teams inspecting outbound cars on the Brownsville side and soldiers and state and federal police canvassing the bridge on the Mexican side. Napolitano was scheduled to fly on to Mexico City for meetings with Pena Nieto’s Cabinet. It will likely be her last visit to Mexico as homeland security secretary since she announced earlier this month that she will be leaving the post.

#### Latin American growth now

IMF 12 (International Monetary Foundation, “Growth in Latin America Moderating but Resilient”, October 12, 2012, http://www.imf.org/external/pubs/ft/survey/so/2012/car101212c.htm)

Growth in Latin America and the Caribbean is projected to pick up in 2013, after slowing this year, with risks continuing to dominate the outlook, the IMF said. Output growth in the region is expected to moderate to 3.2 percent in 2012, from 4.5 percent in 2011, reflecting the impact of earlier policy tightening and ebbing external demand. Going forward, output is projected to expand by around 4 percent in 2013, assisted by the global recovery and underlying favorable external conditions, the IMF said in its Regional Economic Outlook Update for the Western Hemisphere, released October 12 in Tokyo, Japan. Global risks have shifted further to the downside. The two key near-term risks are an intensification of the debt crisis in Europe and a larger-than-desirable fiscal adjustment in the United States. Over the medium term, the main risk remains the possibility of a sharp slowdown in China—an important market for the region’s commodity exports. “Latin America continues to face a global outlook with important tailwinds but significant downside risks,” said Saúl Lizondo, Associate Director of the IMF’s Western Hemisphere Department, at a press briefing held as part of the IMF-World Bank Annual Meetings. With world interest rates expected to remain at very low levels for a prolonged period and commodity prices not far from historic highs, the double tailwinds of easy external financing and favorable commodity prices are likely to persist for many countries in the region. Against this backdrop, Lizondo emphasized that most countries should use the current juncture “to strengthen their resilience by continuing to rebuild fiscal buffers and safeguarding financial stability.” Varied performance and policy challenges The growth slowdown in 2012 has been particularly pronounced in Brazil, where global uncertainties and previous policy tightening had a larger-than-expected impact, particularly on private investment. In other financially integrated economies (Chile, Colombia, Mexico, and Peru) growth remains robust, slowing only moderately. With output near or above potential levels in these economies, the report recommends these countries to persist in their fiscal consolidation efforts. The report also notes that macroprudential policies could be useful to keep borrowing and lending under control, and that exchange rate flexibility should continue to help buffer shocks and discourage speculative capital flows.

#### Obama is multilateral

**Sofae 10**, George P. Shultz Distinguished Scholar at Sanford University’s Hoover Institution, (Abraham, "Obama: Dropping the War on Terror, preemption, preventative force - Adopting 'Multilateralism'," May 3, www.aipnews.com/talk/forums/thread-view.asp?tid=13876&posts=1&start=1

 The Gates’ Pentagon will make significant changes to the language used in its National Security Strategy, dropping: the controversial concept of preemptive attack, also known as preventive force; the idea of a “war” on terror; and the identification of Islamists as the root of terror. An NSS is always one of the most important defense policy documents of any administration is its National Security Strategy. While it may not guide every action, an NSS — required by the Goldwater-Nichols law — serves as a template, a broad statement of how and why an administration will go to war and what it will do once the fighting starts. The Obama administration is to issue its first NSS soon so we asked Abraham Sofaer at Sanford University’s Hoover Institution to offer a glimpse of what the differences are likely to be from the Bush administration and just how important they will be in guiding the administration’s actions. Sofaer concludes that the Gates’ Pentagon will make significant changes to the language used. Read on to find out if he thinks the Obama administration’s actions will change much. The Obama Administration will soon issue its first National Security Strategy (“NSS”). How will it compare with those issued in 2002 and 2006 by the Bush Administration? The most fundamental US national security objectives are well established and bipartisan. The highest priority is always to keep America and its allies safe. This requires maintaining a strong military capacity; effective alliances; and policies that enhance economic and social well being at home and abroad. We encourage the spread of freedom, democracy, and the rule of law throughout the world. We strive to defeat terrorism and to stop the spread of WMD. The Obama team will reconfirm all these objectives, but in different terms than those used by the Bush Administration. • “Leader” not Hegemon. The 2002 Bush NSS proclaimed America’s “unparalleled” power, eager to use alliances but able if required to act alone. Obama’s NSS will promise America shall remain strong, but describe its role as “leader” of like-minded states and incapable of ensuring even its own security without the help of others. • No more “War” on terror. The Bush strategy statements proclaim that the US is in a worldwide “war” against terror. The Obama NSS will avoid using the “war” word, pleasing those who believe terrorism should be treated as criminal activity. But it will call for “defeating terrorism” worldwide. • Dropping the “Preventive Force” Doctrine. The most notorious aspect of the Bush strategy was the view that attacks of terrorist groups cannot be deterred and must be prevented, through force if necessary, and soon enough to stop threats before they are realized. The Obama NSS will drop this declaration and stress the need to prevent attacks through diplomacy and preparation. But it will continue to use force preventively when necessary to kill known enemies. • Adopting a “Multilateralist” Tone. The Bush strategy promised to act through existing multilateral institutions, including the UN, when possible; but it stressed its willingness to “act alone” if required. Obama’s strategy will emphasize the importance of acting through the UN and alliances. But it will preserve the right to act alone, as NATO does, by affirming that the Security Council has “primary” (though not exclusive) responsibility for international security. • “Islamic Fundamentalists” become “Violent Extremists.” The Bush Administration described the current terrorist threat as having been caused by Islamic Fundamentalists, while crediting Islam as one of the world’s great religions. Obama will describe all terrorists as “violent extremists,” or with some such religiously neutral phrase. But his targeted killings have all been of Muslims. • Tyranny vs. Human Rights. The Bush plans promised an assault on tyranny, and saw democracy as the ultimate key to security. It intervened in Iraq, however, because it saw Saddam as a threat to the US and its allies, and never used force otherwise to advance freedom. Obama’s plans will extol democracy far less emphatically, but will formally commit to protecting human rights. It, too, seems unlikely, though, to support the use of force to protect victims of even the most egregious violations. So, does this mean that the differences between Bush and Obama will be largely rhetorical? Not necessarily. That will depend, not on what Bush said or on what Obama says regarding national security, but rather on what Obama actually does that differs from what Bush did. Some real differences exist. While Obama will use force, for example, as often as Bush did in defending against enemies who have attacked Americans, he will not even pretend to support using force against “growing threats” or “tyrants.” He will launch preventive strikes, but not a preventive war. He will not claim the right as Commander in Chief to override legislation, or to use methods widely regarded as inconsistent with the Torture Convention. He will focus more resources and effort than Bush on defensive measures, such as protecting borders, ports, and infrastructure. He will work harder than Bush did to secure international agreements he believes would enhance security by reducing nuclear weapons, dealing with global warming, punishing international crimes, and protecting cyber space, among other things. And he will be prepared to make compromises that Bush would have rejected to secure such agreements.

### Disease add-on

#### No extinction

Malcolm **Gladwell**, writer for The New Yorker and best-selling author The New Republic, July 17 and 24, 19**95**, excerpted in Epidemics: Opposing Viewpoints, 1999, p. 31-32

Every infectious agent that has ever plagued humanity has had to adapt a specific strategy but every strategy carries a corresponding cost and this makes human counterattack possible. Malaria is vicious and deadly but it relies on mosquitoes to spread from one human to the next, which means that draining swamps and putting up mosquito netting can all hut halt endemic malaria. Smallpox is extraordinarily durable remaining infectious in the environment for years, but its very durability its essential rigidity is what makes it one of the easiest microbes to create a vaccine against. AIDS is almost invariably lethal because it attacks the body at its point of great vulnerability, that is, the immune system, but the fact that it targets blood cells is what makes it so relatively uninfectious. Viruses are not superhuman. I could go on, but the point is obvious. Any microbe capable of wiping us all out would have to be everything at once: as contagious as flue, as durable as the cold, as lethal as Ebola, as stealthy as HIV and so doggedly resistant to mutation that it would stay deadly over the course of a long epidemic. But viruses are not, well, superhuman. They cannot do everything at once. It is one of the ironies of the analysis of alarmists such as Preston that they are all too willing to point out the limitations of human beings, but they neglect to point out the limitations of microscopic life forms.

#### Burn out

Joshua **Lederberg**, professor of genetics at Stanford University School of Medicine, 19**99**, Epidemic: The World of Infectious Disease, p. 13

The toll of the fourteenth-century plague, the "Black Death," was closer to one third. If the bugs' potential to develop adaptations that could kill us off were the whole story, we would not be here. However, with very rare exceptions, our microbial adversaries have a shared interest in our survival. Almost any pathogen comes to a dead end when we die; it first has to communicate itself to another host in order to survive. So historically, the really severe host- pathogen interactions have resulted in a wipeout of both host and pathogen. We humans are still here because, so far, the pathogens that have attacked us have willy-nilly had an interest in our survival. This is a very delicate balance, and it is easily disturbed, often in the wake of large-scale ecological upsets.

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## Oil

### Overview

#### Link threshold is low

IMF 12 (IMF Press Release No. 12/220, Statement by the 2012 Article IV Consultation Mission to the Russian Federation, June 13, 2012, <http://www.imf.org/external/np/sec/pr/2012/pr12220.htm>)

“The Russian economy has recovered from the 2008-09 crisis and is now running close to its potential. High oil prices, strong wage growth, and robust consumption have supported demand. Meanwhile, the unemployment rate has fallen below 6 percent and capacity utilization in manufacturing has risen to its pre-crisis peak, suggesting that the remaining slack in the economy is small. While headline inflation slowed to 3.6 percent in May 2012, this owed mostly to a delay in administrative price increases and favorable food prices, and the IMF staff team’s measure of underlying inflation remains above 6 percent. “The outlook is for continued moderate growth and a rebound in inflation. Under unchanged policies, we project growth of about 4 percent both in 2012 and 2013. With the economy moving above potential, the supply-side factors muting prices reversing, and the exchange rate recently depreciating, inflation is projected to increase to around 6½ percent in 2012 and to remain at that level in 2013. “The ongoing turbulence in international markets is affecting Russia mostly through oil prices. The reliance on oil exports exposes Russia to declining oil prices, especially if accompanied by large capital outflows. The increased exchange rate flexibility has been a major policy advancement and is helping the Russian economy absorb external shocks, including spillovers from international developments.

#### **Causes miscalc—draws in the US**

David, Prof Poli Sci – Johns Hopkins University, ’99 (Steven, *Foreign Affairs*, Jan/Feb)

AT NO TIME since the civil war of 1918 -- 20 has Russia been closer to bloody conflict than it is today. The fledgling government confronts a vast array of problems without the power to take effective action. For 70 years, the Soviet Union operated a strong state apparatus, anchored by the KGB and the Communist Party. Now its disintegration has created a power vacuum that has yet to be filled. Unable to rely on popular ideology or coercion to establish control, the government must prove itself to the people and establish its authority on the basis of its performance. But the Yeltsin administration has abjectly failed to do so, and it cannot meet the most basic needs of the Russian people. Russians know they can no longer look to the state for personal security, law enforcement, education, sanitation, health care, or even electrical power. In the place of government authority, criminal groups -- the Russian Mafia -- increasingly hold sway. Expectations raised by the collapse of communism have been bitterly disappointed, and Moscow's inability to govern coherently raises the specter of civil unrest. If internal war does strike Russia, economic deterioration will be a prime cause. From 1989 to the present, the GDP has fallen by 50 percent. In a society where, ten years ago, unemployment scarcely existed, it reached 9.5 percent in 1997 with many economists declaring the true figure to be much higher. Twenty-two percent of Russians live below the official poverty line (earning less than $ 70 a month). Modern Russia can neither collect taxes (it gathers only half the revenue it is due) nor significantly cut spending. Reformers tout privatization as the country's cure-all, but in a land without well-defined property rights or contract law and where subsidies remain a way of life, the prospects for transition to an American-style capitalist economy look remote at best. As the massive devaluation of the ruble and the current political crisis show, Russia's condition is even worse than most analysts feared. If conditions get worse, even the stoic Russian people will soon run out of patience. A future conflict would quickly draw in Russia's military. In the Soviet days civilian rule kept the powerful armed forces in check. But with the Communist Party out of office, what little civilian control remains relies on an exceedingly fragile foundation -- personal friendships between government leaders and military commanders. Meanwhile, the morale of Russian soldiers has fallen to a dangerous low. Drastic cuts in spending mean inadequate pay, housing, and medical care. A new emphasis on domestic missions has created an ideological split between the old and new guard in the military leadership, increasing the risk that disgruntled generals may enter the political fray and feeding the resentment of soldiers who dislike being used as a national police force. Newly enhanced ties between military units and local authorities pose another danger. Soldiers grow ever more dependent on local governments for housing, food, and wages. Draftees serve closer to home, and new laws have increased local control over the armed forces. Were a conflict to emerge between a regional power and Moscow, it is not at all clear which side the military would support. Divining the military's allegiance is crucial, however, since the structure of the Russian Federation makes it virtually certain that regional conflicts will continue to erupt. Russia's 89 republics, krais, and oblasts grow ever more independent in a system that does little to keep them together. As the central government finds itself unable to force its will beyond Moscow (if even that far), power devolves to the periphery. With the economy collapsing, republics feel less and less incentive to pay taxes to Moscow when they receive so little in return. Three-quarters of them already have their own constitutions, nearly all of which make some claim to sovereignty. Strong ethnic bonds promoted by shortsighted Soviet policies may motivate non-Russians to secede from the Federation. Chechnya's successful revolt against Russian control inspired similar movements for autonomy and independence throughout the country. If these rebellions spread and Moscow responds with force, civil war is likely. Should Russia succumb to internal war, the consequences for the United States and Europe will be severe. A major power like Russia -- even though in decline -- does not suffer civil war quietly or alone. An embattled Russian Federation might provoke opportunistic attacks from enemies such as China. Massive flows of refugees would pour into central and western Europe. Armed struggles in Russia could easily spill into its neighbors. Damage from the fighting, particularly attacks on nuclear plants, would poison the environment of much of Europe and Asia. Within Russia, the consequences would be even worse. Just as the sheer brutality of the last Russian civil war laid the basis for the privations of Soviet communism, a second civil war might produce another horrific regime. Most alarming is the real possibility that the violent disintegration of Russia could lead to loss of control over its nuclear arsenal. No nuclear state has ever fallen victim to civil war, but even without a clear precedent the grim consequences can be foreseen. Russia retains some 20,000 nuclear weapons and the raw material for tens of thousands more, in scores of sites scattered throughout the country. So far, the government has managed to prevent the loss of any weapons or much material. If war erupts, however, Moscow's already weak grip on nuclear sites will slacken, making weapons and supplies available to a wide range of anti-American groups and states. Such dispersal of nuclear weapons represents the greatest physical threat America now faces. And it is hard to think of anything that would increase this threat more than the chaos that would follow a Russian civil war.

#### Only existential risk

Bostrom 2, Oxford philosophy faculty, [Nick, “Existential Risks Analyzing Human Extinction Scenarios and Related Hazards,” Published in the Journal of Evolution and Technology, Vol. 9, March, <http://www.nickbostrom.com/existential/risks.html>]

A much greater existential risk emerged with the build-up of nuclear arsenals in the US and the USSR. An all-out nuclear war was a possibility with both a substantial probability and with consequences that might have been persistent enough to qualify as global and terminal**.** There was a real worry among those best acquainted with the information available at the time that a nuclear Armageddon would occur and that it might annihilate our species or permanently destroy human civilization.[4] Russia and the US retain large nuclear arsenals that could be used in a future confrontation**,** either accidentally or deliberately. There is also a risk that other states may one day build up large nuclear arsenals. Note however that a smaller nuclear exchange**,** between India and Pakistan for instance, is not an existential risk, since it would not destroy or thwart humankind’s potential permanently.

#### Turns environment and warming – drop in prices causes increased exploitation - so that countries can break even – increases emissions, biggest internal link to the environment

Sanders, Senior Fellow of the World Policy Institute, ‘90

(Jerry, *Bulletin of Peace Proposals*, May)

Among the poorest countries, particularly those burdened by debt, we can expect that a shrinking world market and declining terms of trade will serve to accelerate deforestation and soil exhaustion as nations seek to maximize agricultural, mining, and other commodity exports in a losing effort to stay even. Paradoxically, therefore, stagnant growth very likely will produce increases in carbon dioxide and other trace gases that trigger global warming, acid rain and toxic waste that poison ground water, and desertification that makes the spread of fallow land a growing danger in many regimes of the Third World.

### Uniqueness

#### Oil prices holding near $102 now – slight variations, but it won’t cross $100 absent major change

AFP 9/30 (Agence France-Presse, “Oil Prices Tumble on Concerns Over US Budget Impasse”, Indian Express, 9/30/13, http://www.indianexpress.com/news/oil-prices-tumble-on-concerns-over-us-budget-impasse/1176285/)

Oil prices tumbled in Asian trade today as the US budget impasse threatens to shut down parts of the economy, analysts said.¶ New York's main contract, West Texas Intermediate for delivery in November fell USD 1.16 to USD 101.71 in mid-morning trade, while Brent North Sea crude for November was down 82 cents to USD 107.81.¶ Crude tracked losses on most Asian equity markets after the House of Representatives approved a Republican bill seeking to delay President Barack Obama's health care law.¶ With Democrats refusing to accept demands for cutbacks in the healthcare programme, there are fears that hundreds of thousands of US federal employees will be sent home from Tuesday.¶ Investors are also eyeing a more critical row over the US debt ceiling, which must be raised before mid-October, when the government runs out of money to pay its bills.¶ If the spending limit is not hiked, Washington will be unable to service its debt obligations and will in turn default. A similar stand-off in 2011 sent global markets sliding and led to a historic downgrade of the country's AAA sovereign rating by Standard & Poor's.¶ "The budget impasse in the United States is certainly creating uncertainty, but there is also hope among investors that there will be a last-minute save like the last time round," David Lennox, resource analyst at Fat Prophets in Sydney, told AFP.¶ DBS Bank said a forced shutdown of the US government could see the US Federal Reserve expanding its USD 85 billion-a-month bond buying programme, instead of winding it down as expected. "For now, the prospect of a weaker US economy is likely to weigh on equities and Asian currencies first," it said in a note.

#### Key to Russian stability

**Adomanis 3/14** (MA-Russian and East European Studies at the University of Oxford, “Crude Oil Is Still Really Expensive, So Russia Will Probably Stay Stable,” <http://www.forbes.com/sites/markadomanis/2013/03/14/crude-oil-is-still-really-expensive-so-russia-will-probably-stay-stable/>)

Judah, like many Russia watchers, highlights the oil price trap as a potential downfall for Putin. As the report says: As a result, the Kremlin now must rely on a much higher oil price in order to balance its budget. In 2007, $40 a barrel would have sufﬁced. By 2012, more than $110 was required. Should the price of oil now fall for any substantial length of time, **Russia could be forced to return to large scale borrowing, even cut beneﬁts or implement some form of austerity, thus** undermining support for the regime in the provinces and among low-wage earners. It is ironic, but **Putin’s support now depends** upon the one thing he cannot control: the price of oil. I fully agree that a substantial and sustained fall in the price of oil would be pretty damaging for Putin, just as a substantial and sustained increase in the yield on Treasury Bills would be a pretty serious problem for the United States or a substantial fall in soy prices would be a serious problem for Brazil. It doesn’t take a rocket scientist to see that a substantial portion of Putin’s popularity rests on dolling out natural resource rents, and if those rents were suddenly to disappear then, yes, the Kremlin would be in real trouble. But you can look at almost any country in the world and imagine a scenario in which the increase or decrease in price of an important commodity or financial instrument would prove ruinous: they key question is how likely such a scenario is. So before we get too caught up in what might happen to Russia when oil prices decline, we should ask ourselves “how likely is it that oil prices are actually going to decline for any length of time?” Based on the available evidence I would say “extremely unlikely.” Consider the following charts. Here’s what has happened to the price for Brent crude since 1988, when Ronald Reagan was still fearlessly leading the free world to victory in the Cold War: The run-up in oil prices since 2000 doesn’t look like a temporary blip or an “accident,” it looks like increasingly expensive oil is just a fact of life for an increasingly dynamic and globalized world economy. So let’s focus on that post 2000 period, a period that, conveniently, coincides with the entirety of Vladimir Putin‘s time atop the Russian state: Since 2000, the only really noteworthy and sustained drop in world oil prices coincided with and was caused by an epochal financial crisis that very nearly crashed the entire global economy. Apart from that, oil prices have either been slowly increasing or holding steady. Indeed ever since oil prices really started to rebound towards the end of 2009 I have heard Russia watchers say “OK, oil is expensive now, and that helps Putin survive. But just wait until the price crashes, which is going to happen any day now!” They said this in 2010. They said this in 2011. They said this in 2012. And they’re saying it now in 2013. I suppose the oil price alarmists will be right at some point, we’re likely to eventually get another global recession that will crash commodity prices, but almost no one takes seriously the idea that commodities, and oil in particular, are just a lot more expensive now than they used to be and that this probably isn’t going to change any time soon. Is Russia’s over-reliance on oil a good thing, or is it somehow praiseworthy? No. If I were running the Kremlin I would be spooked by the increase in the non-oil and gas deficit and the ever rising price per barrel needed to balance the state budget. But the fact that a sustained and sharp decrease in the price of oil would be a disaster for the Kremlin doesn’t mean that such an decrease is any more likely. And if you look at the Energy Information Agency’s short-term price forecasts, the expectation in the short term is for an exceedingly gentle and gradual decline in oil prices to $108 a barrel in 2013 and $101 in 2014, while the long-term reference case is for a sustained and long-term rise in prices. Oil prices that are expected to average out at over $100 a barrel more than a year from now, and which will then begin a gradual rise, hardly seem like a harbinger of doom for the Kremlin. Perhaps I’m small-minded or unimaginative, but it’s very hard for me to conjur a scenario in which Putin’s political position is seriously threatened so long as oil is over $100 a barrel and in which the most likely scenario is for ever-rising price in the future. Could oil doom Putin? Yes. But it seems far more likely that, for better or worse, **it’s going to continue to function as a crutch for Russia’s current regime.**

#### **Prices rising and will remain above 100 dollars**

AllAfrica News 7-30 (“High Oil Prices - Boom to Some, Doom to Others”, 2013, http://m.allafrica.com/stories/201307301218.html/)

Oil prices have remained **consistently high** and volatile over the past few years. According to estimates, they may remain this way at least until 2014. The Brent crude spot price, which averaged 112 dollars a barrel in 2012, is **projected** to remain **above 100 dollars** a barrel. This is at an average of 108 dollars and 101 dollars per barrel, in 2013 and 2014, respectively. High oil prices may dampen the global economy, which is still struggling to recover from the 2008 financial crisis. High oil prices above 100 dollars can be explained by many factors and they may affect economies in an uneven way, with an unclear outcome for the global economy as a whole. According to estimates by the International Monetary Fund (IMF), a 50pc increase in oil prices, due to a supply shock, would lead to a one to 1.5pc decrease in output, in many regions of the world. Rising oil prices will affect African economies differently depending on whether they are net exporters or net importers of the commodity. For oil-importing economies, high oil prices could translate into high import bills with adverse effects on inflation, production and employment. In contrast, oil-exporting economies could benefit from high oil prices, because an increase in oil revenues improves their balance of payments. In addition, price volatility may harm both importers and exporters of oil. It lowers, for instance, the predictability of marginal costs of production for companies. The uncertainty regarding their cash flows may induce companies to reduce their investments and limit job creation, which can consequently harm economic growth. Oil prices have increased since 2003, from less than 40 dollars to more than 100 dollars per barrel today. Oil prices fell sharply in 2008, before recovering steadily since then. Prices were volatile during 2011 and 2012, mainly because of the Arab Spring and events in Libya, in addition to conflict between Sudan and South Sudan. Many uncertain and conflicting factors on both supply and demand sides have contributed to the persistent high oil prices in recent years. Geopolitical factors are the main causes that drove up oil prices in producing countries. In the past decade, wars in Iraq and political tensions in the Middle East and North Africa have affected the oil market. More recently, disagreements between Western nations and Iran - one of the largest oil producers and exporters in the world - have fuelled risks of sharp disruptions in oil supplies globally. This, in turn, had a significant impact on prices of the commodity. In contrast, major oil producing countries, mainly Saudi Arabia, may not be able to boost production and instead have to cover losses elsewhere, as their capacities are reaching their limit. The decline in aggregate oil inventories and high costs of oil extraction and production are other supply-side factors affecting oil prices. Increasing demand from major emerging economies, such as China and India, has also played an important role in keeping oil prices **persistently high** over the past years. The Asian continent surpassed the US and is now the largest consumer of oil in the world. Despite the slowdown in economic growth in China and India, demand will **remain higher**. This will keep oil prices at high levels. Furthermore, as growth is resuming in the US and as the crisis in the euro area seems to be easing, global demand for oil may increase.

### Link

#### Mexican production lowers already high prices

Cekerevac ‘13 — [Sasha Cekerevac, BA Economics with Finance specialization, a Senior Editor at Lombardi Financial, 2013 (“Oil in Mexico: A Once in 80 Years Investment Opportunity?,” Investment Contrarians, Econ Matters, LexisNexis, 6-21-13, <http://www.lexisnexis.com/lnacui2api/results/docview/docview.do?docLinkInd=true&risb=21_T17752288064&format=GNBFI&sort=BOOLEAN&startDocNo=1&resultsUrlKey=29_T17752288068&cisb=22_T17752288067&treeMax=true&treeWidth=0&csi=299488&docNo=5>)

Even though people want to move away from hydrocarbons as an energy source, for the near future, we will continue to use oil as an input in many parts of the global economy.¶ And now a new development is opening the door to an investment opportunity not seen in almost eight decades.¶ As of December 2012, Mexico has a new president, Enrique Pena Nieto, who is making radical changes that will benefit his nation dramatically. He is a pro-business leader, and since his term began, the Mexican economy has already seen a significant improvement in its current outlook, as well as the potential for future growth.¶ Mexico's new president is now looking to end the country's multi-decade state-run monopoly on oil and natural gas.¶ As oil prices remain far higher than oil production costs, there is a significant long-term investment opportunity in this sector. The U.S. economy will still remain quite dependent on oil for many decades, and many American firms lead the world in technological knowledge and skills in extracting both oil and natural gas.¶ If Mexico does open the door to foreign businesses, there will be a huge investment opportunity. Both deep-water drilling and shale-rock formations have extensive levels of reserves, yet Mexico's state-run oil company, Petroleos Mexicanos (PEMEX), does not have the skills or technology to extract resources in these geographical segments.¶ This is where the investment opportunity could be created for American firms. Our firms can help in the extraction process, and both the U.S. companies and Mexican government would share in the profits obtained from lower oil prices.¶ With Mexican oil production at 2.5 million barrels per day, down approximately one million barrels from a decade ago, changes do need to be undertaken if that country wants to increase production and profit from lower oil prices.¶ However, the proposal has not yet been approved, and is still under discussion.¶ To me, this means that service companies such as Halliburton Company (NYSE: HAL) could benefit in this investment opportunity, especially since it has already been hired by PEMEX in the past for its technical expertise.¶ Halliburton's stock has performed extremely well lately, and with oil prices continuing to remain firm, 2013 will likely be yet another good year for Halliburton. However, I would advise long-term investors interested in Halliburton to wait for pullbacks before considering buying this stock.¶ The investment opportunity from higher oil prices is not going away anytime soon. If Mexico opens the door to foreign investors, we could see a massive influx of money rushing in to develop one of the world's largest reserves of both oil and natural gas.¶ PEMEX

#### Increasing Mexican oil production would lower oil prices globally

MM 12 ("Oil Prices Promise to Head Higher As Mexican Production Dwindles", Money Morning, moneymorning.com/2012/08/24/oil-prices-promise-to-head-higher-as-mexican-production-dwindles)

Mexico is currently ranked No. 7 on the list of the world's top oil producers, so **less Mexican oil production** would also **mean higher oil prices** worldwide. The loss of Mexico's 1 million barrels a day in exports over an extended period would be a greater blow than the total lost due to sanctions on Iran. While the effects of Mexico's lagging oil production are clear, the causes are more complex. The root of the problem is years of neglect and a government-enforced monopoly. Nationalized in 1938, Mexico's oil industry has prohibited oil behemoths like Exxon Mobil (NYSE: XOM), BP (NYSE ADR: BP) and others from taking any sizable stake in the country's oil operations. If it allowed more investments from international oil companies, Mexico could revive production, industry analysts say. But that won't be easy. Petroleos Mexicancos, PEMEX, has sole control of the Mexican oil industry and doles out over 32% of its revenue to Mexico's government. But while the Mexican government likes the oil revenue, it has failed to re-invest enough money back into the industry. Mexican lawmakers have long resisted providing PEMEX with the funds needed to find new sources of crude. Of late, PEMEX has moved to relax its oil monopoly, allowing foreign firms to bid for PEMEX contracts. Aspokesperson for PEMEX said these new efforts, in addition to the current doubling of its budget, would allow the company to quickly boost production. But PEMEX's director of operations Carlos Morales told Reuters the company is extremely cautious and prudent when calculating the prices it is willing to pay firms to develop oil field as agreed on in new contracts. "We can't leave money on the table. We also can't set very low prices... because we may be left without any offers, just like what happened with [oil field] Arenque." The inability to auction off the Arenque oil field raises the question of just how committed PEMEX is to expanding private sector involvement. As long as PEMEX drags its feet, Mexican oil production will keep slipping. "The next government may want an opening, but PEMEX loves being a monopoly," Miriam Grunstein, an energy researcher with Mexico's CIDE Institute, told Reuters. But because oil is so vital to the Mexican economy, both PEMEX and the Mexican government may eventually be forced to adjust their thinking. "The fact that Mexico's production is rapidly declining could potentially cause a financial crisis not only for PEMEX but for the government," Enrique Sira of energy consulting form IHS told the NYT. "As you lose Mexican oil, you lose critical supply. It's not about energy security but national security, because our neighbor's economic and political well-being is largely linked to its capacity to produce and export oil," Jeremy M. Martin, director of the energy program at the University of California, San Diego told The New York Times.

#### Plan solves US oil independence—cooperation guarantees more Mexican production

Terry ’12 – Masters Candidate at the University of Denver in International Studies (Alison, recipient of the US Geospatial Intelligence Foundation Graduate Scholarship for 2011-2012. Ms. Terry holds a Bachelor’s Degree in Environmental Studies from Dartmouth College and has previously worked as a Biologist for the US Geological Survey, “Policy and Practice in North American Energy Security”, International Affairs Review, Volume XX, No. 3, Spring 2012, http://www.iar-gwu.org/sites/default/files/articlepdfs/North%20American%20Energy%20Security.pdf)

Of the three North American countries, Mexico stands to gain the most from continental energy interdependence. To address near-term declines in production, Mexico needs to **hasten its trend** of opening its energy industry. Mexican energy policy is currently the most restrictive in North America because the state limits exploration and foreign investment. Technological innovation in exploration and deep-water extraction techniques are necessary to increase Mexican oil production. These improvements should be prioritized in pursuit of North American energy interdependence because Mexico has the potential to meet some of the US demand for petroleum. Mexico also has the ability to meet some of the US demand for electricity. The policy precedent of opening the Mexican electrical market may serve to increase integration of the United States-Mexico electrical grid. If this is successful, Mexico may begin to see financial gains from foreign investment and begin long-term plans to develop other energy resources with US and Canadian companies. The most important factor in attracting foreign investment will be to allay fears of expropriation by demonstrating stability in energy regulations and taxation regimes. Another way to increase exploration would be to consider profit-sharing agreements based on production capacity of new fields. The Transboundary Hydrocarbons Agreement signed between the United States and Mexico in February 2012 signals greater bilateral cooperation between the two countries in developing oil and gas reservoirs in the Gulf of Mexico and a shared desire to increase production. 107 The agreement contains provisions to facilitate joint projects between US companies and Pemex, and will also bring the less stringent Mexican environmental regulations closer in line with those of the United States as both countries strive to exercise responsible stewardship of resources across the international maritime boundary. 108

### Not sure what these were for

#### Low oil prices causes government change

Kramer 12 (Andrew @ NYT, “Putin Ally Warns of Political Fallout if Economy Falters” May 24, 2012, http://www.nytimes.com/2012/05/25/business/global/russias-aleksei-kudrin-warns-of-fallout-from-economic-crisis.html)

An economic downturn would most likely swell the ranks of protesters who opposed the recent re-election of Vladimir V. Putin as president and could spread the movement to rural areas from cities, where it has been centered until now, Mr. Kudrin said. Half a dozen prominent academics and former senior government officials gathered at a news conference to present their findings, sounding the first high-level alarm in Moscow’s political circles that Russia could suffer serious consequences if Greece exited the euro zone. Mr. Kudrin, a longtime close ally of Mr. Putin, is a weighty figure in Moscow political and banking circles. He is credited with anticipating the oil price collapse in 2008 and helping to soften its effect on the Russian economy by saving profits in advance in sovereign wealth funds. That added credibility to his predictions. The two crises in different parts of Europe — Russia’s simmering street protests and Greece’s long-running sovereign debt trouble — are not often looked at through the same lens. The Russian political class, Mr. Kudrin suggested, has been slow to recognize the severity of the economic troubles next door or how they interact with a wobbly domestic political environment. The European Union is Russia’s largest trading partner. “A recession has begun in Europe,” Mr. Kudrin said. “And the events in Greece from the last few days have shown that it’s going to get deeper, that it will touch other countries more deeply and unfortunately can lead to a new world crisis.” A recession in Russia is “possible and even likely,” Mr. Kudrin said, placing the probability of a contraction that would be “a destabilizing factor for political problems” at 50 percent. He defined the resulting political woes as a polarization in Russian politics, with protesters becoming more radical and the government more repressive. Mr. **Putin**, who was elected to a third term in March, presided during his first two terms and as prime minister over a decade of economic growth that lifted millions of people out of poverty and created a large class of wealthy individuals. But he **has no control over the** two **main factor**s **in Russia’s economy: the price of oil** and the cost of capital. Both are moving in negative directions today. Global oil prices were lower last week. And as the debt crisis worsens, European banks are calling in loans from developing markets including Russia, raising the cost of borrowing. The report released Thursday took on additional significance because a well-regarded sociologist, Mikhail Dmitriev, provided its analysis of potential rural or industrial unrest in a slowing economy. Mr. **Kudrin said that a “very deep crisis”** in the global economy set off by a Greek default **could actually lead to a change of government in Russia.**

#### A decline past $100 destroys Russia’s economy—even if oil has bad effects, decline in prices is worse

S&P Rating 12(Standard and Poor’s Rating Services, “Hooked on Oil: Russia’s Vulnerability to Oil Prices,” 5/20, World Finance Review, http://worldfinancereview.com/may%202012/33-34.pdf)//mat

AN ECONOMY LIFTED AND LET BY THE TIDE OF OIL The Russian economy’s very close correlation with commodity prices, ﬁrst and foremost with oil prices, has proved a boon over most of the past decade. Rapidly rising oil prices supported speedy expansion of its economy, sustained high current account and ﬁscal surpluses, and led to the rapid accumulation of ﬁscal reserves. These developments have supported signiﬁcant improvements in Russia’s creditworthiness after the sovereign had emerged from selective default only in December 2000. Russia’s foreign currency sovereign rating quickly rose from ‘B-’ at the beginning of 2001 to investment grade ‘BBB-’ by January 2005, and to a peak of ‘BBB+’ in September 2006. Nevertheless, Russia’s commodity dependency has at times also proved a burden. In 2008, Russia’s domestic economic bubble, which had in part been fed by rapidly rising oil prices, burst. In its wake, credit, asset prices, and economic activity started to correct. On top of that, global oil prices collapsed on the back of the global ﬁnancial crisis and a recession in most developed economies, delivering an additional shock to Russia’s economy. In line with these developments, our foreign currency rating on Russia dropped by one notch to ‘BBB’, its current level, in December 2008. The key indicators of Russia’s economic performance closely correlate with trends in oil prices. As for any commodity economy, Russia’s nominal GDP is driven not so much by growth of the real economy, but by commodity prices. Broadly the same trend is visible for Russia’s trade balance, where exports of crude and oil products account for well above 50% of all goods exports, while gas accounts for about another 10%, and metals for 20%. Hence, the trade balance patterns closely follow oil price developments. Even the Russian ruble’s exchange rate against the U.S. dollar, when adjusted for inﬂation differentials, follows oil prices very closely. Much in line with the trade balance, it tends to appreciate as oil prices rise, and to depreciate as oil prices fall. PUBLIC FINANCES ARE ADDICTED TO OIL The impact of oil prices on Russia’s public ﬁnances is even more pronounced than on the overall economy. This is the result of a combination of direct and indirect effects. The marginal total tax rate for exported crude oil amounts to 86%. We estimate that direct revenues from oil through the mineral extraction tax and export duties alone generated close to one-half of federal government revenue in 2011 and still more than a quarter of total general government revenue. These revenues are directly affected by changes in the oil price. Calculating the direct impact of oil price changes on budget revenues, assuming stable oil production and exports, we ﬁnd that a $10 change in the oil price leads to a 1% of GDP change in government revenues. On top of that, the strong impact the oil price has on economic activity--and hence the tax base--in Russia also creates an indirect channel through which oil prices affect the government’s general tax intake. Because a decrease in the oil price depresses GDP and hence incomes, proﬁt, and consumption in the economy, the government’s general tax intake is also reduced. We estimate this indirect effect to contribute another 0.4% of GDP change in government revenue per $10 change in oil price. The steep increase in the oil price over the past decade has not only led to a sustained improvement in Russia’s government nances, characterized by large government surpluses and the accumulation of government assets until 2008. Government expenditure programs, including countercyclical spending during the recession that started in 2008, have also led to a continuous rise in the budget breakeven price of oil, that is, the price of oil required to balance the general government budget. While the breakeven price of oil started off at about $20 at the start of the last decade, we now estimate it to amount to $120 in 2012. So unless the average annual oil price sets a new record in 2012, Russia’s budget is likely to be in deﬁcit this year. Russia’s ﬁscal expansion is also visible in the trend of the non-oil deﬁcit, that is, the budget deﬁcit excluding oil revenues. This has risen considerably, to an estimated 9.4% of GDP in 2011, from 4.8% of GDP in 2008, while at the same time the government’s non-oil revenues declined to 10.9% of GDP from 13.4%. The dependence on oil (and other commodities) remains a key vulnerability of Russia’s economy, in our view, and in particular of Russia’s public ﬁnances. On the one hand, oil prices this year so far are well above the government’s budget assumption of $100 and would support achievement of the 1.5% of GDP deﬁcit target, not considering any of the spending promises made by newly elected president Vladimir Putin during his presidential election campaign. However, a downward correction in oil prices, particularly if longer lasting, would quickly put considerable pressure on Russia’s public ﬁnances. OIL PRICE SHOCK STRESS SCENARIOS UNDERLINE RUSSIA’S VULNERABILITY To assess the vulnerability of Russia’s economy and its public ﬁ nances in general, we have considered and compared three scenarios. The ﬁrst is the base scenario of oil at $100 per bbl, which is also the government’s budget assumption. Second, we consider a moderate stress scenario, where the average annual oil price drops to $80 over 2012-2014. This is about the level in 2010, when oil prices had started to quickly recover post-crisis. Third, we examine a severe stress scenario, where the oil price drops to $60, the level seen in 2009 at the peak of the crisis. In the moderate stress scenario, with oil dropping to an annual average of $80 per bbl, we would expect the shock to the economy to lead to a slight contraction of the real economy in 2012. GDP per capita would contract even further, to $12,100 in 2012, from $13,200 in 2011, reﬂecting the strong inﬂuence of the oil price on the exchange rate, which leads nominal dollar GDP to contract. In the severe oil price shock scenario, with the oil price falling to $60, we would expect a severe recession, comparable to that in 2009, under which real GDP falls by 5.3% in 2012. GDP per capita would drop even further, by a total of 20% compared with 2011. Perhaps surprisingly at ﬁrst sight, the negative impact of the oil price shock on the current account balance is relatively moderate under both the moderate and the severe shock scenario. Yet, while the lower oil price will obviously lead to lower export revenues, there are two strong countervailing effects. The ﬁ rst is through the aforementioned correlation between the oil price and the exchange rate. As the oil price drops we would expect the exchange rate to weaken, which should act to moderate imports. Second, the strong negative impact of lower oil prices on GDP and incomes will further serve to lower imports, so that in sum the total decline in imports will compensate a large part of the decline in exports. As a comparison, we note that Russia’s current account balance declined from 6.2% in 2008, the year of peak oil prices, to 3.9% in 2009, when oil prices reached their post-crisis low. The impact on the government’s budget balance is already quite pronounced under the moderate stress scenario. In our scenario analysis, we assume that only budget revenues change, that the volume of oil production and exports remains unchanged, and that expenditure is executed as currently budgeted. Hence, we do not take into account potential consolidation efforts by the government, or potential countercyclical spending, as observed during the past crisis. We also do not take into account any of the additional spending promised by president-elect Vladimir Putin during the election campaign. Some experts estimate these spending promises to amount to an extra 9% of GDP over the next ﬁve years. Under the moderate scenario, we would expect the general government deﬁcit to reach 4.4% of GDP in 2012, compared with 1.6% in the base-case scenario, as a result of a 2.8% of GDP drop in government revenues. We would expect the deﬁcit to improve again slightly in the following years, but for it to remain high. As a result, the government’s slight net asset position of about 3% of GDP in 2011 would already be eroded by 2012. By 2014, the government would be in a net debt position of close to 5% of GDP. Considering that at the end of 2011 the government had assets of about 8% of GDP in its two reserve funds, the government would not have to rely solely on debt ﬁnancing to cover these budget deﬁcits. This should allow it to cope relatively well with the increased budget gap. In the severe stress scenario, the general government deﬁcit would rise to 8.2% of GDP in 2012 absent any countervailing measures by the government. We would expect it to still remain high at close to 6% of GDP by 2014. As a result, and compounded by the decline in nominal GDP, the government’s net debt burden would rise very quickly, reaching more than 13% by 2014, an increase of 16% of GDP over 2011. The debt ﬁnancing of these large government deﬁcits would in our view present a challenge to the government. We consider it questionable at what speed the government could--and would be willing to--monetize the full extent of the assets of its reserve funds, particularly the National Wealth Fund, in order to reduce its borrowing needs. On the other hand, the capacity and willingness of domestic and international capital markets to provide the funds needed to cover the budget gap (8.2% of 2014 GDP, equivalent to $143 billion) is untested. For comparison, we note that the largest gross amount the Russian government borrowed from capital markets over the past decade was the Russian ruble (RUB)1.4 trillion (2.6% of GDP) raised in 2011. As a result, in this situation the government would most likely have to contemplate potentially painful and pro-cyclical cuts in expenditure. At the same time, the government’s large funding requirement in this scenario would, at best, result in a signiﬁcant increase in borrowing rates. There would even be a risk that the sovereign’s funding challenge could trigger nervousness among investors, capital outﬂows, and additional pressure on the exchange rate. In any case, the sheer size of government borrowing would also crowd out funding to the private sector, further depressing Russia’s comparatively low investment ratio and adversely affecting the economy’s growth potential.