# 1nc

## China soi

**China’s sphere of influence in Mexico is increasing now**

**Perrault 6/6** (Mike, 6/6/13, “President Xi uses trip to increase China's influence,” http://www.usatoday.com/story/news/politics/2013/06/06/presidential-china-summit-sunnylands/2397129/)//DR. H

When Chinese President Xi Jinping's four-nation tour of the Americas comes here Friday for a two-day summit with President Barack Obama, area economists and economic development officials say China already will have taken fresh steps to bolster its economic influence in nations such as Costa Rica, Mexico, and Trinidad and Tobago.

Xi took office in March and has used the trip to expand China's exports and relations:

• Friday, the Chinese leader met with Prime Minister Kamla Persad-Bissessar of the Caribbean Republic of Trinidad and Tobago — a nation rich in liquefied natural gas — where they announced they had discussed ways to cooperate in key areas of energy, minerals, infrastructure development, telecommunications and agriculture.

• Monday, Xi met Costa Rican President Laura Chinchilla to discuss commercial and energy projects, including upgrading the Central American country's oil refineries and developing a free-trade zone.

• Tuesday, in Mexico, President Enrique Pena Nieto and business leaders met with Chinese delegates to determine ways to reduce Mexico's large trade deficit while strengthening trade links. Mexican officials said while $57 billion of Mexico's imports — 15% — came from China last year, Mexico only exported $5.7 billion — 1.5% — to China.

"The bottom line is everybody is looking for export markets," said Chapman University economist Esmael Adibi, director of the A. Gary Anderson Center for Economic Research in Orange, Calif. "They're asking, 'Where are the markets that are not fully utilized?' and they're putting their efforts there."

Last year, China eclipsed the United States to become the world's biggest trading nation, as measured by total exports and imports of goods (excluding services), according to figures both countries released earlier this year.

Chinese exports and imports reached $3.87 trillion last year, the Chinese customs administration reported. The U.S. exports and imports combined for $3.82 trillion in 2012, the Commerce Department said.

China's latest efforts to boost export markets in places such as Latin America and Africa don't surprise Wes Ahlgren, chief operating officer for the Coachella Valley Economic Partnership in Palm Springs, Calif. Ahlgren has traveled to China and Europe on trade missions to promote this area's renewable energy and clean technology opportunities.

During a recent conference call with U.S. state, trade and commerce officials who were in Africa at the time, Ahlgren said it was clear China has already made substantial investments in Latin America and Africa, and China continues to look for markets, resources and ways to expand its influence.

"Similarly, the U.S. foreign policy includes a large component of economic development, foreign military sales, direct investment, support for NGOs (non-government organizations), etc.," Ahlgren said. "Perhaps they are taking a page from our playbook and modeling it to their own vision."

At a time when the USA is under financial pressure and has had to cut aid internationally, China is opening its wallet.

"Because (China) is so rich with foreign currency and surplus, they are willing to make direct investments in these countries to improve their ties," Adibi said. "Whereas we have budgetary constraints."

Chinese officials announced last week they would loan Trinidad and Tobago $250 million to build a children's hospital, for instance.

During his visit to Costa Rica, the Chinese president signed an agreement to grant Costa Rica a $400 million line of credit for energy and infrastructure projects, the countries announced. They also formalized a $900 million loan enabling Costa Rica to upgrade its main oil refinery to process 65,000 barrels a day.

Economists said China needs oil not only for the growing number of cars for its middle class but to fuel all facets of its expanding economy.

Unlike the United States, where some 70% of the economy centers around consumer spending, countries such as China and Japan rely far more heavily on exports, Adibi said.

As Latin American ministers and presidents, business executives and others increasingly recognize China's rapidly growing impact on the world economy, countries such as Argentina, Brazil and Chile have expanded bilateral ties, economists said.

Mexico was among the last of the major Latin American countries to sign free-trade agreements with Beijing, which meant it lost out as China became the principal trade partner to regional competitors such as Brazil and Peru.

#### China is investing in PEMEX now – plan pushes them out.

Yang 13 (Yang Jingjie is a reporter for Global Times. Global Times a daily Chinese tabloid focusing on international issues. “Increase in Mexican oil exports indicates thawing ties”, Global Times, April 9, 2013, http://www.globaltimes.cn/content/773515.shtml#.Ueht4I1OSSo)

Observers say Mexican state oil company Pemex's decision to significantly boost oil exports to China will help optimize the imbalanced bilateral trade structure and indicates thawing ties following their leadership transitions. On the sidelines of the Boao Forum for Asia on Saturday, Pemex Chief Executive Emilio Lozoya said the company would begin increasing exports to China by 30,000 barrels a day starting this month, according to a two-year agreement between Pemex and China's Sinopec, Reuters reported. The level of exports to China could increase over time as part of the agreement, he added. Mexico, the seventh largest oil producer in the world, exports nearly 80 percent of its oil to the US and only some 50,000 barrels to China each month, according to China Radio International. Lin Boqiang, director of the China Center for Energy Economics Research at Xiamen University, told the Global Times that the increase stemmed from China's potential for growth in demand, against the backdrop of shrinking US imports as a result of its shale boom. A report released by OPEC last week expected China to overtake the US as the world's largest oil importer by 2014. This would also diversify China's sources of oil imports, "as only about 9 percent of the imports came from Latin America last year," Lin added. Data from the China Petroleum and Chemical Industry Federation showed last year nearly half of China's oil imports came from the Middle East. Yang Zhimin, a researcher with the Institute of Latin American Studies at the Chinese Academy of Social Sciences, told the Global Times that the supply of oil is not solely decided by market demands, given its strategic nature. "We can't rule out the possibility of US influence in Mexico's decision, but the current president Enrique Pena Nieto won't follow the US as closely as his predecessor did." Pena Nieto, who is from the center-left Institutional Revolutionary Party, last year replaced rightist Felipe Calderon as president. Yang noted that the visit by Pena Nieto, which was paid just weeks after Xi became president, was a move aimed at mending bilateral ties. His predecessor Calderon met the Dalai Lama in 2011, drawing discontent and objection from Beijing. Yang said the new oil deal would also help narrow the bilateral trade imbalance. Mexico said its trade deficit with China reached $51.2 billion in 2012.

#### China’s influence in Latin America is key to their soft power

Malik, 06 – PhD in International Relations (Mohan, "China's Growing Involvement in Latin America," 6/12, [http://uyghuramerican.org/old/articles/300/1/info@uyghuramerican.org](http://uyghuramerican.org/old/articles/300/1/info%40uyghuramerican.org))

China's forays into Latin America are part of its grand strategy to acquire "comprehensive national power" to become a "global great power that is second to none." Aiming to secure access to the continent's vast natural resources and markets, China is forging deep economic, political and military ties with most of the Latin American and Caribbean countries. There is more to China's Latin American activism than just fuel for an economic juggernaut. China now provides a major source of leverage against the United States for some Latin American and Caribbean countries. As in many other parts of the developing world, China is redrawing geopolitical alliances in ways that help propel China's rise as a global superpower. Beijing's courtship of Latin American countries to support its plan to subdue Taiwan and enlist them to join a countervailing coalition against U.S. global power under the rubric of strengthening economic interdependence and globalization has begun to attract attention in Washington. Nonetheless, Beijing's relations with the region are neither too cozy nor frictionless. For Latin America and the Caribbean countries, China is an enviable competitor and rival, potential investor, customer, economic partner, a great power friend and counterweight to the United States, and, above all, a global power, much like the United States, that needs to be handled with care. As in Asia and Africa, China is rapidly expanding its economic and diplomatic presence in Latin America -- a region the United States has long considered inside its sphere of influence. China's interest in Latin America is driven by its desire to secure reliable sources of energy and raw materials for its continued economic expansion, compete with Taiwan for diplomatic recognition, pursue defense and intelligence opportunities to define limits to U.S. power in its own backyard, and to showcase China's emergence as a truly global great power at par with the United States. In Latin America, China is viewed differently in different countries. Some Latin American countries see China's staggering economic development as a panacea or bonanza (Argentina, Peru, and Chile view China as an insatiable buyer of commodities and an engine of their economic growth); others see it as a threat (Mexico, Brazil, and the Central American republics fear losing jobs and investment); and a third group of countries consider China their ideological ally (Bolivia, Cuba, and Venezuela). While China's growing presence and interests have changed the regional dynamics, it still cannot replace the United States as a primary benefactor of Latin America. Chinese investment in the region is US$8 billion, compared with $300 billion by U.S. companies, and U.S.-Latin America trade is ten times greater than China-Latin America trade. Nonetheless, China is the new kid on the block that everyone wants to be friendly with, and Beijing cannot resist the temptation to exploit resentment of Washington's domineering presence in the region to its own advantage. For Washington, China's forays into the region have significant political, security and economic implications because Beijing's grand strategy has made Latin America and Africa a frontline in its pursuit of global influence. China's Grand Strategy: Placing Latin America in the Proper Context China's activities in Latin America are part and parcel of its long-term grand strategy. The key elements of Beijing's grand strategy can be identified as follows: Focus on "comprehensive national power" essential to achieving the status of a "global great power that is second to none" by 2049; Seek energy security and gain access to natural resources, raw materials and overseas markets to sustain China's economic expansion; Pursue the "three Ms": military build-up (including military presence along the vital sea lanes of communication and maritime chokepoints), multilateralism, and multipolarity so as to counter the containment of China's regional and global aspirations by the United States and its friends and allies; Build a network of Beijing's friends and allies through China's "soft power" and diplomatic charm offensive, trade and economic dependencies via closer economic integration (free trade agreements), and mutual security pacts, intelligence cooperation and arms sales.

#### Chinese international influence is an existential impact – it controls every scenario for extinction

--can address terrosim – bc not the west

--

Zhang 2012 (Prof of Diplomacy and IR at the Geneva School of Diplomacy. “The Rise of China’s Political Softpower” 9/4/12 http://www.china.org.cn/opinion/2012-09/04/content\_26421330.htm)

As China plays an increasingly significant role in the world, its soft power must be attractive both domestically as well as internationally. The world faces many difficulties, including widespread poverty, international conflict, the clash of civilizations and environmental protection. Thus far, the Western model has not been able to decisively address these issues; the China model therefore brings hope that we can make progress in conquering these dilemmas. Poverty and development The Western-dominated global economic order has worsened poverty in developing countries. Per-capita consumption of resources in developed countries is 32 times as large as that in developing countries. Almost half of the population in the world still lives in poverty. Western countries nevertheless still are striving to consolidate their wealth using any and all necessary means. In contrast, China forged a new path of development for its citizens in spite of this unfair international order which enabled it to virtually eliminate extreme poverty at home. This extensive experience would indeed be helpful in the fight against global poverty. War and peace In the past few years, the American model of "exporting democracy'" has produced a more turbulent world, as the increased risk of terrorism threatens global security. In contrast, China insists that "harmony is most precious". It is more practical, the Chinese system argues, to strengthen international cooperation while addressing both the symptoms and root causes of terrorism. The clash of civilizations Conflict between Western countries and the Islamic world is intensifying. "In a world, which is diversified and where multiple civilizations coexist, the obligation of Western countries is to protect their own benefits yet promote benefits of other nations," wrote Harvard University professor Samuel P. Huntington in his seminal 1993 essay "The Clash of Civilizations?". China strives for "being harmonious yet remaining different", which means to respect other nations, and learn from each other. This philosophy is, in fact, wiser than that of Huntington, and it's also the reason why few religious conflicts have broken out in China. China's stance in regards to reconciling cultural conflicts, therefore, is more preferable than its "self-centered" Western counterargument. Environmental protection Poorer countries and their people are the most obvious victims of global warming, yet they are the least responsible for the emission of greenhouse gases. Although Europeans and Americans have a strong awareness of environmental protection, it is still hard to change their extravagant lifestyles. Chinese environmental protection standards are not yet ideal, but some effective environmental ideas can be extracted from the China model. Perfecting the China model The China model is still being perfected, but its unique influence in dealing with the above four issues grows as China becomes stronger. China's experiences in eliminating poverty, prioritizing modernization while maintaining traditional values, and creating core values for its citizens demonstrate our insight and sense of human consciousness. Indeed, the success of the China model has not only brought about China's rise, but also a new trend that can't be explained by Western theory. In essence, the rise of China is the rise of China's political soft power, which has significantly helped China deal with challenges, assist developing countries in reducing poverty, and manage global issues. As the China model improves, it will continue to surprise the world.

## Oil da

**Mexican crude exports to the U.S. have fallen to multi-year lows**

**EIA, 5/14**/13, (USEIA, “Mexico Week: Lower Mexican oil production contributes to lower crude oil exports to U.S.”, 5/14/2013, U.S. Energy Information Administration, http://www.eia.gov/todayinenergy/detail.cfm?id=11251, JKahn)

Crude oil exports anchor the energy trade between Mexico and the United States. In 2012 Mexico was the world's ninth largest oil producer. The value of crude oil exports from Mexico to the United States reached $35.7 billion in 2012, having more than doubled since 2004. However, Mexico's crude oil production and exports to the United States have both fallen, with exports down to 0.97 million barrels per day (bbl/d) in 2012 from 1.48 million bbl/d in 2004. Last year was the first time since 1994 that annual exports of Mexican crude oil to the United States fell below 1 million bbl/d. Mexico's share of total U.S. crude oil imports fell to 11% in 2012, down from 16% in 2003. Typically, Mexico exports its heavier crude oils and keeps its lighter crude, mostly from southern regions, for its own refineries. More than 90% of Mexico's heavy crude oil production occurs in the Northeastern Marine production region (see map), and this is where 75% of Mexico's oil production declines have occurred. The heavy crudes are predominantly composed of the Maya variety, which state oil company Petroleos Mexicanos (Pemex) mainly produces from the Cantarell and Ku-Maloob-Zaap offshore oil fields, located along the coast of the Yucatan Peninsula. Crude oil production trends in Mexico vary by grade and location. Mexico's production of heavy crude oil fell 46%, or 1.1 million bbl/d, from 2004 to 2012. However, Mexico's production of light and extra light crude oil rose 0.2 million bbl/d between 2004 and 2012, partially offsetting the heavy crude declines.

**Plan increases exports to the US that affect perception. Saudi Arabia fears the narrative that the US may abandon them for North American supplies.**

Rogers 3/20

[2013 – Will Rogers is the Bacevich Fellow at the Center for a New American Security (CNAS). At CNAS, Mr. Rogers’ research focus is on science, technology and national security policy. He has authored or co-authored a range of publications on energy, climate change, environmental cooperation in Asia and cybersecurity, “America Committed to Gulf Security Despite Changing Relationship with Region's Oil, says Gen. Dempsey,” Center for New American Security, 2013, http://www.cnas.org/blogs/naturalsecurity/2013/03/america-committed-gulf-security-despite-changing-relationship-regions-]

America’s relationship with the Middle East’s energy resources is changing as U.S. domestic oil production continues to grow. A combination of hydraulic fracturing, horizontal drilling and advanced seismic technologies have contributed to the largest annual growth in U.S. crude oil production since Colonel Edwin Drake first drilled for oil in Titusville, Pennsylvania in 1859. Most of the crude oil is coming from shale formations in North Dakota and Texas – what we call “light tight oil.” Since 2010, the United States has, on average, increased monthly crude oil production by 50,000 barrels a day.¶ Not all of this U.S. light tight oil is displacing Middle East crude, of course. A number of factors matter, most importantly the crude oil grade. The United States is producing light tight oil, that is, low-density crude oil, whereas the United States imports heavier crudes from the Persian Gulf, including from Saudi Arabia. Moreover, U.S. refineries have been increasingly geared to absorb heavier crudes, from the Persian Gulf, but more so from Canada, Mexico and Venezuela.¶ Nevertheless, the glut in U.S. crude oil production and declining demand for oil (a consequence of slow economic growth and more fuel efficient vehicles) have contributed to a powerful notion that the United States is relying less and less on oil from the Persian Gulf and could conceivably help wean America off crude oil imports from the Middle East entirely (a debatable point).¶ Whether or not one believes that the United States can break the tether to Middle East oil, U.S. allies and partners in the Persian Gulf are increasingly nervous about America’s long-term security commitment to the region. After all, if the United States no longer relies on energy from the region, why should American foot the bill for protecting the sea lanes – that backbone of the crude oil trade in the region – or so the narrative goes.¶ The United States has a number of stakes in stability of the Persian Gulf oil trade even if it does rely less on oil from the region. Supply shocks will contribute to higher global oil prices, which will be felt at home. Moreover, supply shocks are damaging to our allies, particularly those in East Asia that have grown more dependent on oil and gas from the Middle East and North Africa. But there are other legitimate security concerns as well, which were not far from General Martin Dempsey’s mind when he responded to a question on Monday about how the American energy revolution will impact U.S. interests and presence in the Persian Gulf. Here’s what the Chairman of the Joint Chiefs of Staff said:If by 2017 the United States can achieve some level of energy independence, why in the world would we continue to be concerned about the energy that flows out of – out of the Gulf? Well, look, my answer to that is I didn’t go to the Gulf in 1991 and stay there for about the next 20 years because of oil. That’s not why I went. It’s not why my children went. It’s –and we went there because we thought that a region of the world where we had – where we had not, except for a few bilateral relationships – where we hadn’t invested much of our, let’s call it, bandwidth, intellectual energy, commitment – now, we went there in ’91 because of the – of the aggression of Saddam Hussein, but we stayed there because I think we came to the realization that the future of the region was tied to our future, and not through this thing called oil but rather through the – as I said earlier, the shared interest in a common future where people would be able to build a better life and where threats could be managed collaboratively, not by the United States uniquely but by the relationships we would build on the basis of common interests. So when I hear about in 2017, you know, oil won’t be as big a factor for us – and that’s great. I hope we do achieve energy independence. But I can assure you that at least from a military perspective – and I can only speak, as I dress, from the military perspective – that the continued development of capabilities – military capabilities, notably, in my world, but also partnerships and trust that we build by working together, by exchanging officers and noncommissioned officers in our professional military schools, that on that basis, you will find –you will find that the future will be a period of greater commitment.¶ Now, you know, if you measure our commitment in terms of numbers of boots on the ground and numbers of aircraft and number of aircraft carriers, I think you’ll probably –you know, there’ll always be this debate about inclining or declining commitment. But that’s not what the commitment’s all about, really, in my view. As I said, I went to – I went to the Gulf in ’91, spent almost the next 20 years there on and off and didn’t do it for oil.¶ So we have two powerful strategic cross-currents that the Obama administration will have to confront in the near term.¶ This week marks the anniversary of the U.S. invasion of Iraq, a solemn reminder for some that the United States should be less engaged in the Middle East, not more. Add this to the notion that the United States could break the tether to Middle East oil, and the domestic narrative speaks for itself. At the same time, though, a credible U.S. security commitment to our partners in the Persian Gulf may be the only way to allay concerns about security challenges in the region. Take for example, Iran. My colleagues Colin Kahl, Melissa Dalton and Matt Irvine recently published a report assessing the possibility that an Iranian bomb could lead to Saudi Arabia developing the bomb – Atomic Kingdom: If Iran Builds the Bomb, Will Saudi Arabia be Next? Kahl, Dalton and Irvine argue quite persuasively that a number of factors will keep Saudi Arabia from developing the bomb. But one of the big caveats to this is a credible U.S. security commitment to Saudi Arabia. Does the Royal Family in Riyadh feel comfortable about this commitment given the competing narrative that America may have an opportunity to walk away from the Persian Gulf if it doesn’t need access to the region’s oil? The public perception on these issues - at home and abroad - will have to be managed carefully. What a tightrope to walk.

**C- Impact – Saudi prolif causes nuclear war.**

Edelman ‘11

(Eric –Distinguished Fellow at the Center for Strategic and Budgetary Assessments & Former U.S. Undersecretary of Defense for Policy, Foreign Affairs, Jan/Feb, http://www.foreignaffairs.com/articles/67162/eric-s-edelman-andrew-f-krepinevich-jr-and-evan-braden-montgomer/the-dangers-of-a-nuclear-iran)

There is, however, at least one state that could receive significant outside support: Saudi Arabia. And if it did, proliferation could accelerate throughout the region. Iran and Saudi Arabia have long been geopolitical and ideological rivals. Riyadh would face tremendous pressure to respond in some form to a nuclear-armed Iran, not only to deter Iranian coercion and subversion but also to preserve its sense that Saudi Arabia is the leading nation in the Muslim world. The Saudi government is already pursuing a nuclear power capability, which could be the first step along a slow road to nuclear weapons development. And concerns persist that it might be able to accelerate its progress by exploiting its close ties to Pakistan. During the 1980s, in response to the use of missiles during the Iran-Iraq War and their growing proliferation throughout the region, Saudi Arabia acquired several dozen css-2 intermediate-range ballistic missiles from China. The Pakistani government reportedly brokered the deal, and it may have also offered to sell Saudi Arabia nuclear warheads for the css-2s, which are not accurate enough to deliver conventional warheads effectively. There are still rumors that Riyadh and Islamabad have had discussions involving nuclear weapons, nuclear technology, or security guarantees. This “Islamabad option” could develop in one of several different ways. Pakistan could sell operational nuclear weapons and delivery systems to Saudi Arabia, or it could provide the Saudis with the infrastructure, material, and technical support they need to produce nuclear weapons themselves within a matter of years, as opposed to a decade or longer. Not only has Pakistan provided such support in the past, but it is currently building two more heavy-water reactors for plutonium production and a second chemical reprocessing facility to extract plutonium from spent nuclear fuel. In other words, it might accumulate more fissile material than it needs to maintain even a substantially expanded arsenal of its own. Alternatively, Pakistan might offer an extended deterrent guarantee to Saudi Arabia and deploy nuclear weapons, delivery systems, and troops on Saudi territory, a practice that the United States has employed for decades with its allies. This arrangement could be particularly appealing to both Saudi Arabia and Pakistan. It would allow the Saudis to argue that they are not violating the NPT since they would not be acquiring their own nuclear weapons. And an extended deterrent from Pakistan might be preferable to one from the United States because stationing foreign Muslim forces on Saudi territory would not trigger the kind of popular opposition that would accompany the deployment of U.S. troops. Pakistan, for its part, would gain financial benefits and international clout by deploying nuclear weapons in Saudi Arabia, as well as strategic depth against its chief rival, India. The Islamabad option raises a host of difficult issues, perhaps the most worrisome being how India would respond. Would it target Pakistan’s weapons in Saudi Arabia with its own conventional or nuclear weapons? How would this expanded nuclear competition influence stability during a crisis in either the Middle East or South Asia? Regardless of India’s reaction, any decision by the Saudi government to seek out nuclear weapons, by whatever means, would be highly destabilizing. It would increase the incentives of other nations in the Middle East to pursue nuclear weapons of their own. And it could increase their ability to do so by eroding the remaining barriers to nuclear proliferation: each additional state that acquires nuclear weapons weakens the nonproliferation regime, even if its particular method of acquisition only circumvents, rather than violates, the NPT. Were Saudi Arabia to acquire nuclear weapons, the Middle East would count three nuclear-armed states, and perhaps more before long. It is unclear how such an n-player competition would unfold because most analyses of nuclear deterrence are based on the U.S.- Soviet rivalry during the Cold War. It seems likely, however, that the interaction among three or more nuclear-armed powers would be more prone to miscalculation and escalation than a bipolar competition. During the Cold War, the United States and the Soviet Union only needed to concern themselves with an attack from the other. Multi- polar systems are generally considered to be less stable than bipolar systems because coalitions can shift quickly, upsetting the balance of power and creating incentives for an attack. More important, emerging nuclear powers in the Middle East might not take the costly steps necessary to preserve regional stability and avoid a nuclear exchange. For nuclear-armed states, the bedrock of deterrence is the knowledge that each side has a secure second-strike capability, so that no state can launch an attack with the expectation that it can wipe out its opponents’ forces and avoid a devastating retaliation. However, emerging nuclear powers might not invest in expensive but survivable capabilities such as hardened missile silos or submarine- based nuclear forces. Given this likely vulnerability, the close proximity of states in the Middle East, and the very short flight times of ballistic missiles in the region, any new nuclear powers might be compelled to “launch on warning” of an attack or even, during a crisis, to use their nuclear forces preemptively. Their governments might also delegate launch authority to lower-level commanders, heightening the possibility of miscalculation and escalation. Moreover, if early warning systems were not integrated into robust command-and-control systems, the risk of an unauthorized or accidental launch would increase further still. And without sophisticated early warning systems, a nuclear attack might be unattributable or attributed incorrectly. That is, assuming that the leadership of a targeted state survived a first strike, it might not be able to accurately determine which nation was responsible. And this uncertainty, when combined with the pressure to respond quickly, would create a significant risk that it would retaliate against the wrong party, potentially triggering **a regional nuclear war**. Most existing nuclear powers have taken steps to protect their nuclear weapons from unauthorized use: from closely screening key personnel to developing technical safety measures, such as permissive action links, which require special codes before the weapons can be armed. Yet there is no guarantee that emerging nuclear powers would be willing or able to implement these measures, creating a significant risk that their governments might lose control over the weapons or nuclear material and that nonstate actors could gain access to these items. Some states might seek to mitigate threats to their nuclear arsenals; for instance, they might hide their weapons. In that case, however, a single intelligence compromise could leave their weapons vulnerable to attack or theft. Meanwhile, states outside the Middle East could also be a source of instability. Throughout the Cold War, the United States and the Soviet Union were engaged in a nuclear arms race that other nations were essentially powerless to influence. In a multipolar nuclear Middle East, other nuclear powers and states with advanced military technology could influence—for good or ill—the military competition within the region by selling or transferring technologies that most local actors lack today: solid-fuel rocket motors, enhanced missile-guidance systems, war- head miniaturization technology, early warning systems, air and missile defenses. Such transfers could stabilize a fragile nuclear balance if the emerging nuclear powers acquired more survivable arsenals as a result. But they could also be highly destabilizing. If, for example, an outside power sought to curry favor with a potential client state or gain influence with a prospective ally, it might share with that state the technology it needed to enhance the accuracy of its missiles and thereby increase its ability to launch a disarming first strike against any adversary. The ability of existing nuclear powers and other technically advanced military states to shape the emerging nuclear competition in the Middle East could lead to a new Great Game, with unpredictable consequences.

## politics

#### GOP refocusing on debt ceiling– key negotiations now.

Cohen, 9/26 (9/26/11, Tom, “Boehner signals GOP focus now on debt ceiling,” CNN, <http://www.cnn.com/2013/09/26/politics/shutdown-showdown/?hpt=po_c1>, amils)

At a news conference after meeting with his GOP caucus…………………………. is absolutely unacceptable."

**The plan passes via executive agreement – normal means – causes backlash**

Lugar 12 (Richard J., former US Senator, Senate Committee on Foreign Relations, One Hundred and Twelfth Congress, Second Session, December 21, 2012, “OIL, MEXICO, AND THE TRANSBOUNDARY AGREEMENT,” <http://www.gpo.gov/fdsys/pkg/CPRT-112SPRT77567/html/CPRT-112SPRT77567.htm>, alp)

An executive agreement ……………………political fights.

#### Capital is finite and spending it elsewhere prevents a debt ceiling deal

**Moore, 9/10/13 -** Guardian's US finance and economics editor.(Heidi, “Syria: the great distraction” The Guardian, <http://www.theguardian.com/commentisfree/2013/sep/10/obama-syria-what-about-sequester>)

The country will crash ………………………. tasks it wants to accomplish, one at a time.

#### Default will destroy the U.S. and global economy

**Davidson, 9/10/13** – co-founder of NPR’s Planet Money (Adam, “Our Debt to Society” New York Times, <http://www.nytimes.com/2013/09/15/magazine/our-debt-to-society.html?pagewanted=all>)

If the debt ceiling isn’t lifted again this ………………………………… would collapse far worse than anything we’ve seen in the past several years.

#### Prices spikes kill billions and cause global war

Brown 7 (Lester R., Director – Earth Policy Institute, 3-21, http://www.earth-policy.org/Updates/2007/Update65 .htm)

Urban food protests in response to ………………………. food prices drop their consumption below the survival level.

## Memo cp

**Text --- The Director of the Western Hemisphere Affairs Bureau of the United States Department of State should issue and publish in the Federal Register a policy memorandum that relevant United States entities should implement the Agreement between the United States of America and the United Mexican States Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico.**

Competes; policy statements do not make law --- they’re legally distinct from the plan because they’re only position-taking

Koch 5 (Charles H. Jr., Professor of Law – William and Mary School of Law, “Policymaking by the Administrative Judiciary”, Alabama Law Review, Spring, 56 Ala. L. Rev. 693, Lexis)

n110 E.g., Consol Edison Co of New York v. FERC, 315 F.3d 316, 323 (D.C. Cir 2003)

"Policy statements" differ from substantive rules …………………… the public, nor the agency

## Neolib k

#### Nieto wants to privatize PEMEX—that inflicts violence and suffering on the Mexican working class – reject them

Azul 12 (Rafael Azul, “Peña Nieto moves toward privatization of Mexican oil,” Published by the World Socialist Web Site on 18 December 2012, <http://www.wsws.org/en/articles/2012/12/18/mexi-d18.html>, ZBurdette)

No sooner had Enrique Peña Nieto, the candidate of the PRI (Institutional Revolutionary Party), won the presidential election in July, he began to implement a conservative, pro-business agenda, first with his support for labor reform legislation and second by laying out an energy policy. The lynchpin of that energy policy is the privatization of Pemex.¶ In a visit to Brazil in September, Peña Nieto indicated that he favored the so-called Petrobras model. Petrobras is the Brazilian national oil company.¶ Starting in 1997, Petrobras was transformed from a fully national oil company, to an investor-owned company in which the state owns 60 percent of the shares.¶ At a press conference following a meeting with Brazilian President Dilma Rousseff, Peña Nieto declared that the Petrobras “model inspires what we want to do in Mexico.” The Mexican president attributes Petrobras’ supposed efficiency to the entry of private capital. Turning to Pemex, he said that an influx of private capital would leverage investments and job growth in Mexico.¶ A few weeks later in Germany, Peña Nieto again announced his intention to present before the legislature an energy reform law, declaring that his models for Pemex were Petrobras and the Colombian Ecopetrol. “To cling to old resistances is to postpone benefits for Mexicans,” declared the newly elected president.¶ As with Pemex, Petrobras was subjected to a campaign to discredit it in the eyes of the public. As with Pemex it was starved of necessary funds to modernize.¶ The Brazilian company’s privatization resulted in the loss of some 30,000 jobs. The world market sets domestic oil and fuel prices, while the profits of private investors are taxed at a relatively low rate, by international standards.¶ The reference to Ecopetrol is even more ominous. The privatization of that company in 2003 was accompanied by savage attacks, kidnappings and murders of oil workers by right-wing paramilitary death squads. According to conservative estimates, some 200 workers have been killed at the hands of death squads since 2003. At least 400 others have been expelled, with their families, from their homes and towns. In May 2004, the Colombian government of former president Alvaro Uribe responded to a strike by 3,800 oil workers protesting savage repression in the oil center of Barrancabermeja by militarizing the region, terrorizing thousands of workers and their families and expelling militants from the oil fields and refineries.¶ The main beneficiaries from Ecopetrol’s privatization have been Chevron Texaco (US), BP-Amoco (UK), and Schlumberger (Austria).¶ The privatization of Pemex will inevitably spark strong opposition in Mexico, and President Peña Nieto is no stranger to repression. Mexican students and youth who protested his inauguration in Mexico City and Guadalajara on December 1 experienced this first hand; protesters were singled out, dragged and beaten.¶ As a governor of the state of Mexico he ordered the 2006 attack on the community of San Salvador Atenco, which resulted in two deaths, 100 wounded and sexual assault against two women, followed by draconian prison sentences against leaders of the community. During his campaign, organized PRI goons attacked protesting youth at campaign events. Pemex es de los mexicanos, the slogan that Pemex belongs to all Mexicans, while never fully a reality, continues to be a source of nationalist pride for Mexicans. It is the one state-owned company that was not privatized in the 1980s.¶ Since then, a backdoor form of privatization has proceeded in stages through outsourcing. According to Petroleum Industry Classified Workers Union ( Unión de Trabajadores de Confianza ) spokesperson Alfredo Hernandez Peñalosa, Pemex now contracts out over 60 percent of well drilling, maintenance and repair to privately owned foreign companies. Subcontracting accounts for 70 percent of the monies that Pemex budgets for such purposes.¶ This policy has displaced thousands of skilled and technical workers. Those who do find work end up as low wage contract workers with little or no job security. In tandem with this outsourcing, Pemex has also dismantled much of its petrochemical infrastructure. The closure of a petrochemical plant in Camargo, Chihuahua State, will soon result in the destruction of 5000 jobs.¶ The company was born in the oil industry nationalization of 1938, a response by the bourgeois nationalist government of President Lazaro Cardenas to the massive labor rebellion in the Shell and Standard Oil facilities. The strikes and occupations over wages and the length of the working day lasted seven months.¶ Pemex’s original mission was that of insuring domestic oil needs and promoting national (i.e., bourgeois) interests.¶ Currently, Pemex is the largest Mexican company, public or private. It generated over $124 billion in revenues last year from crude oil and refined products. High revenues do not translate into profits; it lost about $9 billion in the second quarter of 2012.¶ It has now become an oil monopoly tied to the global energy market and committed, in the name of efficiency, to the profit interests of its bond holders—finance capital, the privately owned banks and financial institutions that own its debt—and private contractors. Pemex is also closely allied to Repsol, the Spanish oil company, with whom earlier this year it announced a 10-year partnership that includes ownership by the Mexican firm of Repsol shares.¶ Private sector economists blame Pemex’s low profitability on shady contracts with suppliers of oil drilling and other equipment, on payoffs to the oil workers union to suppress worker discontent, on a fall in the value of Repsol stock, and on excessive government taxes—over one third of the federal government’s income comes from company revenues.¶ Peña Nieto and the Mexican ruling class promote the notion that Pemex’s difficulties are the results of the intrinsic inefficiency of being a state-owned corporation and to the high wages, benefits and pensions that the company gives its workers. All this will be solved, they insist, by the injection of private capital.¶ Parallel to the process of privatization is the gradual elimination of fuel subsidies for domestic consumers, who will soon be forced to buy fuel at the world market price.¶ The incorporation of Pemex into a publicly traded company is a way of handing it over to private companies; it is immaterial that the government plans to own a large chunk of its shares, or even a majority.¶ In anticipation of the changes, both Exxon Mobil and BP have established closer ties with Pemex.¶ A recent article in the Financial Times quotes Exxon Mobile CEO Rex Tillerson, who said in June that this oil giant was carrying out joint studies with the Mexican firm “so we can get to know each other.” But he added: “It’s going to be a long process … And if the next step provides an avenue for Exxon Mobil to participate, we will.”¶ BP has offered to share with Pemex the oil capping technology that it derived from its experience in the Gulf of Mexico, at “no cost” to the Mexicans, as a way of creating a working relationship with Pemex.

#### Vote neg to interrogate neoliberal economic engagement with latin America from the starting point of knowledge production.

Walsh**,** Estudios Culturales Latinoamericanos de la Universidad Andina Simón Bolívar, 2012

(Catherine, “The Politics of Naming”, Cultural Studies, 26.1, Project Muse)

Cultural Studies, in our project, is constructed and understood as more than a field of ‘study’. It is broadly understand as a formation, a field of possibility and expression. And it is constructed as a space of encounter between disciplines and intellectual, political and ethical projects that seek to combat what Alberto Moreiras called the impoverishment of thought driven by divisions (disciplinary, epistemological, geographic, etc.) and the socio-political-cultural fragmentation that increasingly makes social change and intervention appear to be divided forces (Moreiras 2001). As such, Cultural Studies is conceived as a place of plural-, inter-, transand in-disciplinary (or undisciplined) critical thinking that takes as major concern the intimate relationships between culture, knowledge, politics and economics mentioned earlier, and that sees the problems of the region as both local and global. It is a space from which to search for ways of thinking, knowing, comprehending, feeling and acting that permit us to intervene and influence: a field that makes possible convergence and articulation, particularly between efforts, practices, knowledge and projects that focus on more global justice, on differences (epistemic, ontological, existential, of gender, ethnicity, class, race, nation, among others) constructed as inequalities within the framework of neo-liberal capitalism. It is a place that seeks answers, encourages intervention and engenders projects and proposals. It is in this frame of understanding and practice in our Ph.D. programme in Latin-American Cultural Studies at the Universidad Andina Simo´n Bolı´var, that this broad description-definition continues to take on more concrete characteristics. Here I can identify three that stand out: the inter-cultural, the inter-epistemic and the de-colonial. The inter-cultural has been and still is a central axis in the struggles and processes of social change in the Andean region. Its critical meaning was first affirmed near the end of the 1980s in the Ecuadorian indigenous movement’s political project. Here inter-culturality was positioned as an ideological principal grounded in the urgent need for a radical transformation of social structures, institutions and relationships, not only for indigenous peoples but also for society as a whole. Since then, inter-culturality has marked a social, political, ethical project and process that is also epistemological;6 a project and a process that seek to re-found the bases of the nation and national culture, understood as homogenous and mono-cultural. Such call for re-founding does not to simply add diversity to what is already established, but rather to rethink, rebuild and inter-culturalize the nation and national culture, and with in the terrains of knowledge, politics and life-based visions. It is this understanding of the inter-cultural that is of interest. Concretely, we are interested in the spaces of agency, creation, innovation and encounter between and among different subjects, knowledges, practices and visions. Referring to our project of Cultural Studies as (inter)Cultural Studies, enables and encourages us to think from this region, from the struggles, practices and processes that question Eurocentric, colonial and imperial legacies, and work to transform and create radically different conditions for thinking, encountering, being and coexisting or co-living. In a similar fashion, the inter-epistemic focuses on the need to question, interrupt and transgress the Euro-USA-centric epistemological frameworks that dominate Latin-American universities and even some Cultural Studies programmes. To think with knowledges produced in Latin America and the Caribbean (as well as in other ‘Souths’, including those located in the North) and by intellectuals who come not only from academia, but also from other projects, communities and social movements are, for us, a necessary and essential step, both in de-colonization and in creating other conditions of knowledge and understanding. Our project, thus, concerns itself with the work of inverting the geopolitics of knowledge, with placing attention on the historically subjugated and negated plurality of knowledge, logics and rationalities, and with the political-intellectual effort to create relationships, articulations and convergences between them. The de-colonial element is intimately related to the two preceding points. Here our interest is, on one hand, to make evident the thoughts, practices and experiences that both in the past and in the present have endeavoured to challenge the colonial matrix of power and domination, and to exist in spite of it, in its exterior and interior. By colonial matrix, we refer to the hierarchical system of racial civilizational classification that has operated and operates at different levels of life, including social identities (the superiority of white, heterosexual males), ontological-existential contexts (the dehumanization of indigenous and black peoples), epistemic contexts (the positioning of Euro-centrism as the only perspective of knowledge, thereby disregarding other epistemic rationalities), and cosmological (the control and/or negation of the ancestral-spiritual-territorial-existential bases that govern the life-systems of ancestral peoples, most especially those of African Diaspora and of Abya Yala) (see Quijano 1999). At the centre or the heart of this matrix is capitalism as the only possible model of civilization; the imposed social classification, the idea of ‘humanity’, the perspective of knowledge and the prototype life-system that goes with it defines itself through this capitalistic civilizational lens. As Quijano argues, by defending the interests of social domination and the exploitation of work under the hegemony of capital, ‘the ‘‘racialization’’ and the ‘‘capitalization’’ of social relationships of these models of power, and the ‘‘eurocentralization’’ of its control, are in the very roots of our present problems of identity,’ in Latin America as countries, ‘nations’ and States (Quijano 2006). It is precisely because of this that we consider the de-colonial to be a fundamental perspective. Within our project, the de-colonial does not seek to establish a new paradigm or line of thought but a critically-conscious understanding of the past and present that opens up and suggests questions, perspectives and paths to explore. As such, and on the other hand, we are interested in stimulating methodologies and pedagogies that, in the words of Jacqui Alexander (2005), cross the fictitious boundaries of exclusion and marginalization to contribute to the configuration of new ways of being and knowing rooted not in alterity itself, but in the principles of relation, complement and commitment. It is also to encourage other ways of reading, investigating and researching, of seeing, knowing, feeling, hearing and being, that challenge the singular reasoning of western modernity, make tense our own disciplinary frameworks of ‘study’ and interpretation, and persuade a questioning from and with radically distinct rationalities, knowledge, practices and civilizational-life-systems. It is through these three pillars of the inter-cultural, the inter-epistemic and the de-colonial that we attempt to understand the processes, experiences and struggles that are occurring in Latin America and elsewhere. But it is also here that we endeavour to contribute to and learn from the complex relationships between culture-politics-economics, knowledge and power in the world today; to unlearn to relearn from and with perspectives otherwise. Practices, experiences and challenges In this last section, my interest is to share some of the particularities of our doctorate programme/project, now in its third cycle; its achievements and advancements; and the challenges that it faces in an academic context, increasingly characterized regionally and internationally, by disciplinarity, depolitization, de-subjectivation, apathy, competitive individualism and nonintervention. Without a doubt, one of the unique characteristics of the programme/ project is its students: all mid-career professionals mainly from the Andean region and from such diverse fields as the social sciences, humanities, the arts, philosophy, communication, education and law. The connection that the majority of the students have with social and cultural movements and/or processes, along with their dedication to teaching or similar work, helps to contribute to dynamic debate and discussion not always seen in academia and post-graduate programmes. Similarly, the faculty of the programme stand out for being internationally renowned intellectuals, and, the majority, for their commitment to struggles of social transformation, critical thinking and the project of the doctorate itself. The curriculum offering is based on courses and seminars that seek to foment thinking from Latin American and with its intellectuals in all of their diversity comprehend, confront and affect the problems and realities of the region, which are not only local but global. The pedagogical methodological perspective aforementioned works to stimulate processes of collective thought and allow the participants to think from related formations, experiences and research topics and to think with the differences disciplinary, geographical, epistemic and subjective thereby fracturing individualism by dialoguing, transgressing and inter-crossing boundaries. Trans-disciplinarity, as such, is a fundamental position and process in our project. The fact that the graduate students come from an array of different backgrounds provides a plurality in which the methodologicalpedagogical practice becomes the challenge of collectively thinking, crossing disciplinary backgrounds and creating new positions and perspectives, conceived and formed in a trans-disciplinary way. The majority of courses, seminars and professors, also assume that this is a necessary challenge in today’s world when no single discipline and no single intellectual is capable alone of analyzing, comprehending or transforming social reality. Nevertheless, trans-disciplinary gains continue to be a point of criticism and contention, especially given the present trend to re-discipline the LatinAmerican university. As Edgardo Lander has argued (2000a), this tendency reflects the neo-liberalization of higher education, as well as the increasing conservatism of intellectuals, including those that previously identified as or to continue to identify themselves as progressives and/or leftists. To establish oneself in a discipline or presume truth through a discipline, a common practice today, is to reinstall the geopolitics of knowing. This, in turn, strengthens Euro-USA-centrism as ‘the place’ of theory and knowledge. As such, the subject of dispute is not simply the trans-disciplinary aspect of Cultural Studies but also its ‘indisciplinary’ nature, that is, the effort central to our project to include points of view that come from Latin America and thinkers who are not always connected to academia (see Walsh et al. 2002). Our interest is not, as some claim, to facilitate the agendas or cultural agency of subaltern groups or social movements, promote activism or simply include other knowledge forms, but instead to build a different political-intellectual project a political-intellectual project otherwise. Such project gives centrality to the need to learn to think from, together and with Latin American reality and its actors, thereby stimulating convergences, articulations and inter-culturalizations that aim at creating an academia that is committed to life itself. Such a perspective does not eliminate or deny knowledge conceived in Europe or North America usually named as ‘universal’ or its proponents and thinkers. Instead, it incorporates such knowledge as part of a broader canon and worldview that seeks pluriversality, recognizing the importance of places and loci of enunciation. For our project, all of this serves to highlight the doubly complicated situation that is still in flux. On one hand, there is the negative association with trans-disciplinarity and the academic suppositions that accompany it, particularly in the area of research; this requires that our theses be doubly rigorous. And, on the other hand, there is the geopolitical limitation not only of disciplines but also of academic disciplining. To argue, as we do, that knowledge and thought are also produced outside of universities and, in dialogue with Hall, that political movements also produce and provoke theoretic moments and movements, is to question and challenge the academic logic and the authority of a universal and singular reasoning and science. We will, through such questioning and challenges, always be marginalized, placed on the fringe, under a microscope, criticized and disputed. Because of this, the challenges that we have encountered have been many. On one hand, there are those challenges that many face in the Latin-American academic context: the real difficulties of financing, infrastructure and research support. On the other hand, are the challenges that come with the traditional academic disciplinary structure, its de-politization and de-subjectification. Here the challenge is to transgress the established norms of neutrality, distance and objectivity. It is also to confront the standards that give little relevance to historically subjugated groups, practices and knowledges, and to the interlinking of race, ethnicity, gender and sexuality with the structures and models of power and knowledge. It is to make evident past and present struggles that give real meaning to the arguments of heterogeneity, decoloniality and inter-culturality. Here the criticism and dispute comes from many sides: from those who describe these efforts as too politicized (and, as such, supposedly less ‘academic’), uni-paradigmatic (supposedly limited to only one ‘line of thought’), fundamentalist (supposedly exclusionary of those subjects not marked by the colonial wound) and as obsessed with conflict (and therefore far from the tradition of ‘culture’, its letters and object of study). These challenges together with the tensions, criticisms and disputes that they mark often times make the path more difficult. Still, and at the same time, they allow us to clarify the distinctive and unique aspects of our project and its motivations to continue with its course of construction, insurgence and struggle. Our concern here is not so much with the institutionalizing of Cultural Studies. Better yet, and in a much broader fashion, we are concerned with epistemic inter-culturalization, with the de-colonialization and pluriversalization of the ‘university’, and with a thinking from the South(s). To place these concerns, as argued here, within a perspective and a politics of naming: ‘(inter)Cultural Studies in de-colonial code,’ is to open, not close, paths. Conclusion In concluding the reflections I have presented here, it is useful to return to a fundamental point touched by Stuart Hall: ‘intervention’. In particular and with Hall, I refer to the will to intervene in and transform the world, an intervention that does not simply relate to social and political contexts and fields, but also to epistemology and theory. That is to an intervention and transformation in and a de-colonization of the frameworks and logics of our thinking, knowing and comprehending. To commit oneself in mind, body and spirit as Frantz Fanon argued. To consider Cultural Studies today a project of political vocation and intervention is to position and at the same time build our work on the borders of and the boundaries between university and society. It is to seriously reflect on whom we read and with whom we want and/or need to dialogue and think, to understand the very limits or our knowledge. And precisely because of this, it is to act on our own situation, establishing contacts and exchanges of different kinds in a pedagogicalmethodological zeal to think from and think with, in what I have elsewhere called a critical inter-culturality and de-colonial pedagogy (Walsh 2009). In universities and societies that are increasingly characterized by nonintervention, auto-complacency, individualism and apathy, intervention represents, suggests and promotes a position and practice of involvement, action and complicity. To take on such a position and practice and to make it an integral part of our political-intellectual project is to find not only ethical meaning in work on culture and power, but also to give this work some heart. That is to say, to focus on the ever-greater need and urgency of life. To call these Cultural Studies or critical (inter)Cultural Studies is only one of our options, and part of the politics of

## PEMEX

**PEMEX instability inevitable for several reasons – these cumulative risks to the industry crush the advantage**

-money laundering

-theft 2 billion/year

-kidnapping execs

-cartel attacks

-lack of reform

-corruption

Martin and Longmire 11 – Jeremy Martin is Director of the Energy Program at the Institute of the Americas, Sylvia Longmire is a Mexico Security Expert & President, Longmire Consulting (Jeremy Martin and Sylvia Longmire, Journal of Energy Security, “The Perilous Intersection of Mexico’s Drug War & Pemex”, March 22, 2011, http://www.borderlandbeat.com/2011/03/perilous-intersection-of-mexicos-drug.html) // CB

Pemex exposed and impacted

As discussed previously, oil theft from Pemex pipelines, money laundering by way of service stations, and, worst of all, provocative kidnappings of the company’s executives and those of service companies working with the state firm, are all on the rise.

Unofficial figures place thefts from the Pemex network at roughly $2 billion annually. And security experts point to this as an important source of revenue for drug cartels—especially as the Mexican government continues to crack down on them. Thefts from the Pemex network are not new, but the increase and the strain it is placing on the already-taxed company is important. And the illegal tapping has grown significantly in the areas where the drug war is the most pervasive.

The spike in fuel thefts and illegal trading, as well as kidnappings, has led some to question whether Pemex is fully in charge of all its facilities across the nation.

For some experts following the situation, the answer is a resounding no. Indeed, many analysts indicate that the physical security and monitoring of pipelines belonging to Pemex are severely lacking. According to Mexican daily El Universal, oil looting has occurred in almost every state in Mexico, while the Wall Street Journal, citing Pemex statistics, indicated that between January and November 2010, Pemex discovered 614 illegal siphons—368 in liquid fuels pipelines, 196 in oil pipelines, and 50 in liquefied petroleum gas ducts. Pemex has begun installing systems to detect declines in pressure in some oil product pipelines but the project is expected to take years to complete.

Kidnappings send shudders

Kidnappings of Pemex executives and subcontractors, including workers from international firms, have taken place across the country but most notably in Tabasco, Tamaulipas and Nuevo Leon, sending shudders throughout the company and Mexico.

The kidnappings have terrorized a community where, according to a Los Angeles Times story, jobs on the oil rigs and at the gas wells are handed down, father to son, for generations. “How is it,” asked a relative of a kidnapped worker, “that Pemex, supposedly the backbone of the nation, can be made to bow down like this?”

One analysis, published by Grupo Reforma highlighted the oil town of Reforma, Chiapas, where at least 30 Pemex employees—ranging from executives to laborers—have been kidnapped over the past year.

Mexico Weekly has also reported on other forms of violence that have flared in prime Pemex production zones, such as the Burgos Basin, site of Mexico's biggest natural gas field in Tamaulipas. Last spring, gunmen seized the Gigante Uno gas plant and kidnapped five Pemex workers. Increasingly unsafe conditions are severely hindering Pemex’s ability to produce natural gas in the Burgos Basin.

The Burgos Basin stretches across the northern border state of Tamaulipas, where the Gigante Uno plant is located, and spills into the states of Nuevo León and Coahuila. All three states are experiencing extremely high levels of drug-related violence, especially along these states’ border with Texas. The stretch from Nuevo Laredo to Matamoros is in the midst of a bloody conflict between the Gulf cartel and Los Zetas, former paramilitaries and enforcers for the Gulf cartel who are now one of the more vicious DTOs in their own right. Los Zetas are viewed as largely responsible for the kidnapping of Pemex employees in that region.

“Once Pemex … comes under regular attack from the cartels, rather than just random, disorganized thugs, then you have far more serious national security problems – much worse in the government's eyes than a bunch of homicides in the slums of Ciudad Juárez," said Malcolm Beith, author of The Last Narco, a book about the hunt for Joaquin “El Chapo” Guzmán Loera.

Regrettably, Burgos is becoming synonymous with the perilous intersection of Mexico’s raging drug war with Pemex’s efforts to produce the critical energy supplies the nation and region demand.

The Murphy Energy case

One case of fuel theft from Pemex that’s winding its way through the justice system provides a unique insight into that part of the problem the company is confronting.

According to MarketWatch, federal documents released in August 2010 revealed a Texas chemical plant, owned by German chemical company BASF Corp., bought $2 million worth of petroleum products that had been stolen from Pemex and smuggled across the US border. The documents also showed the stolen condensate passed through several companies' hands before arriving on a barge at the BASF facility in Port Arthur, Texas.

The actual transport of stolen oil from Mexican pipelines into US corporate hands is complicated at best. Donald Schroeder, former president of Trammo Corp., testified that in January 2009, two companies, Murphy Energy Corp. and Continental Fuels, contacted him. Both wanted to sell him stolen condensate. Apparently he agreed to buy it, and the transfers began. “Unnamed import companies” would sell the condensate to intermediary companies like Continental (which has since shuttered its headquarters in Houston). Those import companies would smuggle the condensate across the border and store it in Continental facilities. No details were available on how those trucks managed to successfully cross the US Mexico border. These piecemeal transfers would continue until there was enough oil in the storage facility to fill a barge and ship to BASF.

Jim McAlister, an Assistant US Attorney, said he has no reason to believe that BASF has any involvement in the alleged wrongdoing. The President and founder of Murphy Energy Corp., Matt Murphy, said the company did not know that the condensate was stolen. Josh Crescenzi, the vice president of Continental Fuels, has not been indicted in the case, nor has anyone else from Continental.

This particular case has been a success, resulting in the handover of $2.4 million by US customs authorities to the Mexican government. But the extent of corruption in Mexico—within Pemex, in particular—and the ease with which oil can be stolen from pipelines makes the mitigation of oil looting an almost insurmountable challenge. Adding to the problem is the fact that Mexican cartels are involved. According to Reuters, the Mexican government believes the cartels use stolen jet fuel in their aircraft to cover up any evidence of illicit flights. In August 2009, Mexico’s federal police commissioner Rodrigo Esparza said Los Zetas used false import documents to smuggle at least $46 million worth of oil in tankers to unnamed US refineries. President Felipe Calderón has said that DTOs in northern Mexico are responsible for most oil theft.

On some levels Pemex is not just a victim of oil-thieving DTOs; sometimes, it’s directly involved. In February 2010, Mexican military units seized more than four tons of marijuana at Pemex installations in Reynosa, Tamaulipas. The discovery was made after Pemex security alerted officials that armed men were removing Pemex employees from a fuel supply station. In response, a Mexican Naval helicopter was dispatched to the scene but retreated after receiving heavy weapons fire from the ground. When military units arrived on the ground, they found the marijuana loaded on trucks abandoned at the site.

These alarming facts have led to perhaps the most ominous question of all: Is the company being infiltrated by the perpetrators of the nation’s drug business? In light of the increasing number of incidents President Calderón has acknowledged, there may well be internal operatives at Pemex aiding and abetting the DTOs.

For its part, Pemex is soliciting the help of the Mexican people to try to put a stop to oil looting. Last August, the Mexican government posted a Pemex press release, in which exhorts that oil looting is not just an unpatriotic crime against the company and the government, but against the Mexican people. It also offers the number of a hotline where individuals can anonymously report pipeline breaches.

Why the perilous intersection matters

The relevance of what is happening in Mexico matters on a variety of levels, but in particular, there are three broad reasons that bear discussion.

First, and as best portrayed in Figure 2, Pemex has seen its oil production drop precipitously since 2004. The firm has been struggling for the better part of the last decade to deal with a burdensome tax straitjacket, poor planning at its largest field, a lack of new discoveries of oil and production, and an inability to implement serious reform. Moreover, by the nature of being dragged into—and becoming part of—Mexico’s massive drug war, Pemex is clearly suffering from the additional strain and havoc wrought by the myriad elements of the conflict on its business. From huge financial losses to the increasing inability to control its network and prevent theft to the more serious kidnapping threats, the evidence is only becoming clearer.

The second reason concerns Mexico’s fiscal dependency on oil and Pemex. As assorted struggles impact the company's and the nation’s fiscal well-being, broader and longer term economic growth and employment discussions become ever more complicated for policy makers. These issues are particularly critical as the nation appears far from passage of the necessary and far-reaching national tax and fiscal reforms that could ameliorate some of the burden on Pemex and the nation’s oil dependency.

Third, all of the above leads to the real potential for further erosion of Mexico’s critical role as a secure and constant energy supplier for the United States and the Western Hemisphere. As oil prices steadily rise in early 2011, it is quite rational to revisit the significant energy security aspects of Mexico’s persistent energy woes, which are now clearly exacerbated by the overflow of drug war violence and corruption.

On the heels of yet another State of the Union address in the United States that included elegant rhetoric about the country’s energy imbalance and energy security risks, a comprehensive, all of the above approach and solution remains far from reach.

Conclusion

Clearly oil, and energy more broadly, is not a sector of the economy where Mexico needs any further impediments. Pemex’s huge hurdles derive largely from its inability to replace declining oil production and navigate a burdensome nationalistic legacy. What is now added to the combustible mix is an increasing drain on the company’s finances and, worse, a sense of trepidation among executives in the field. Threats against its executives and loss of its resources are surely not a useful element as the company makes efforts to reform itself.

**Macroeconomic factors and political stability are improving – and current growth is sustainable**

--growing liberalization

--5% growth rate

--well positioned compared to emerging markets

--PRI = stabilizing effect

--low inflation

**Hogue 12 –** Joseph Hogue 5-30-2012; provides investment research and analysis through his firm, Efficient Alpha. He has appeared as a guest on BloombergTV for his analysis of Latin American securities and holds the Chartered Financial Analyst (CFA) designation.Mexican economy in contrast to its negative stereotypes http://emergingmoney.com/mexico/mexican-economy-eww/

The diverse Mexican economy has been growing at a sustainable pace of 3.5-5.5% over the past three years. The political mood seems to be shifting incrementally in the direction of further liberalization. Ties to relatively strong neighbors – the U.S. and the rest of Latin America – position the Mexican economy well relative to other emerging markets more dependent on floundering Europe or slowing China. The drug killings may even simmer down with the expected return to power this July of the Institutional Revolutionary Party (PRI). U.S. investors willing to look past stereotypes will find a range of modern industries in Mexico issuing easily tradable American Depository Receipts (ADRs). The composition of the iShares MSCI Mexico Investable Market ETF (EWW, quote) offers a snapshot of the Mexican economy excluding oil, which remains largely nationalized. Consumer staples account for 32% of the ETF’s holdings, telecommunications 24% and materials 15%.A number of large transportation firms are also publicly traded.The macroeconomic and political outlooks for Mexico are both positive**.** This means the Mexican economy should outperform other emerging markets over the next 12 months, though probably underperforming the Andean region of Latin America. Inflation was running at 3.5% annually as of April 2012, near the bottom of Mexico’s historical range. That means the usually conservative central bank is considering stimulus measures if global growth weakens further.The expected victory of the PRI in the July presidential poll (and return to power after a lame-duck period in December) also looks positive for investors. The PRI’s 70-year rule was interrupted under charges of widespread corruption in 2000. The party’s roots are socialist, but it has in recent decades embraced market reforms and moved to the center. Its presidential candidate, Enrique Peña Nieto, has run on a platform of reforms including partial privatization of state oil monopoly PEMEX, along the lines of Brazil’s Petrobras. Nieto also supports liberalizing employment laws. While the full extent of promised reforms is doubtful, Nieto’s pro-market rhetoric is welcome. Opening the oil sector to more private contractors could increase capital spending on infrastructure and accelerate GDP growth for the Mexican economy. The caveat is that these effects will be longer-term, while equity performance over the next year remains more dependent on growth in the United States and global headline risks.

Double bind either

**Mexican economic instability inevitable – pervasiveness of monopolies**

--lack of domestic competition creates monopolies

--nationazlied energy sector

--OECD reports it increases household costs by 40%

--crushes the working middle class

--forces the manufacturing secotr to pay more for raw materials/basic inputs

--telecommunications and broadcasting suffer from lack of reform

Voxxi 3/15 – news agency, cites OECD study (Shannon K O’Neil, “Road to stability for Mexico’s economy”, March 15, 2013, <http://www.voxxi.com/road-to-stability-for-mexicos-economy/>) // CB

A lack of competition pervades Mexico’s economy, as one or a few companies dominate sectors as diverse as glass, cement, flour, soft drinks, sugar and tortilla flour, not to mention the state’s control of energy and electricity. This hits consumers’ bottom lines—an OECD study estimates that it increases the costs of basic goods for households by some 40 percent. It hurts Mexico’s working and middle classes the most, as they must spend a larger proportion of what they earn on these goods and services. It also hits the burgeoning manufacturing sector, which has to pay more for raw materials and basic inputs.

The dominance of a few companies has hurt Mexico’s economy

Few question the need to reform telecommunications and broadcasting, as the dominance of a few companies has hurt Mexico’s broader economy and, at times, warped its politics. Consumers and businesses alike pay far more for their phone calls than the OECD average (over 30 percent and 80 percent, respectively), even though Mexico’s telecom investment lags all other OECD countries. And Mexico trails not just China or Russia, but even Bosnia in broadband access.

**OR**

**It’s just media hype**

--media just reports on those who have been caught in crossfire

--majority of deaths are among traffickers

--violence is geographically concentrentaed

--none of the 1ac warrants prove it’s a failed state

**Seelee and Shirt 10** – director of theMexicoInstitute at the Woodrow Wilson International Center for Scholars AND fellow at the center and an associate professor at the University of San Diego (Andrew Selee, David Shirk, 3/27/10, " Five myths about Mexico's drug war ", Washington Post, http://www.washingtonpost.com/wp-dyn/content/article/2010/03/26/AR2010032602226.html)

The country has certainly seen a big rise in drug violence, with cartels fighting for control of major narcotics shipment routes -- especially at the U.S. border and near major seaports and highways -- and branching into kidnapping, extortion and other illicit activities. Ciudad Juarez, in particular, has been the scene of major battles between two crime organizations and accounted for nearly a third of drug-linked deaths last year.

But the violence is not as widespread or as random as it may appear. Though civilians with no evident ties to the drug trade have been killed in the crossfire and occasionally targeted, drug-related deaths are concentrated among the traffickers. (Deaths among military and police personnel are an estimated 7 percent of the total.) A major reshuffling of leaders and alliances is occurring among the top organized crime groups, and, partly because of government efforts to disrupt their activities, violence has jumped as former allies battle each other. The bloodshed is also geographically concentrated in key trafficking corridors, notably in the states of Sinaloa, Chihuahua and Tamaulipas.

While the violence underscores weaknesses in the government's ability to maintain security in parts of the country, organized crime is not threatening to take over the federal government. Mexico is not turning into a failed state.

Emprically denied – the 1994 and 1982 Mexican economic collapse had no impact on the US markets

**Mexico *isn’t* key to the economy — it’s a small percentage of the GDP and their authors conflate correlation with causation**

**Villarreal 12** — M. Angeles Villarreal, Specialist in International Trade and Finance (M. Angeles Villarreal, *Congressional Research Service*, 08-09-2012, “U.S.-Mexico Economic Relations: Trends, Issues, and Implications”, http://www.fas.org/sgp/crs/row/RL32934.pdf, Accessed 08-02-2013 | AK)

Effects on the U.S. Economy

**The overall effect of NAFTA on the U.S. economy has been relatively small**, primarily because **two-way trade with Mexico amounts to less than 3% of U.S. GDP**. **Thus, any changes in trade patterns with Mexico would not be expected to be significant in relation to the overall U.S. economy**. In some sectors, however, trade-related effects could be more significant, especially in those industries that were more exposed to the removal of tariff and non-tariff trade barriers, such as the textile and apparel, and automotive industries. Since NAFTA, the automotive, textile, and apparel industries have experienced some of the more noteworthy changes in trading patterns, which may also have affected U.S. employment in these industries. U.S. trade with Mexico has increased considerably more than U.S. trade with other countries, and Mexico has become a more significant trading partner with the United States since NAFTA implementation. In the automotive industry, the industry comprising the most U.S. trade with Mexico, **NAFTA provisions consisted of a phased elimination of tariffs, the gradual removal of many non-tariff barriers to trade** including rules of origin provisions, enhanced protection of intellectual property rights, less restrictive government procurement practices, **and the elimination of performance requirements on investors from other NAFTA countries**. **These provisions may have accelerated** the **ongoing trade patterns** between the United States and Mexico. **Because the U**nited **S**tates **and Canada were already highly integrated, most of the trade impacts on the** U.S. **automotive industry relate to trade liberalization with Mexico**. Prior to NAFTA Mexico had a series of government decrees protecting the domestic auto sector by reserving the domestic automobile market for domestically produced parts and vehicles. NAFTA established the removal of Mexico’s restrictive trade and investment policies and the elimination of U.S. tariffs on autos and auto parts. By 2006, the automotive industry has had the highest dollar increase ($41 billion) in total U.S. trade with Mexico since NAFTA passage. The main NAFTA provisions related to textiles and apparel consisted of eliminating tariffs and quotas for goods coming from Mexico and eliminating Mexican tariffs on U.S. textile and apparel products. To benefit from the free trade provision, goods were required to meet the rules of origin provision, which assured that apparel products that were traded among the three NAFTA partners were made of yarn and fabric made within the free trade area. The strict rules of origin provisions were meant to ensure that U.S. textiles producers would continue to supply U.S. apparel companies that moved to Mexico. Without a rules of origin provision, apparel companies would have been able to import low-cost fabrics from countries such as China and export the final product to the United States under the free trade provision.51 **While some U.S. industries may have benefitted from increased demand for U.S. products in Mexico, creating new jobs, other industries have experienced job losses**. **Data on the effects of trade liberalization with Mexico are limited and the effect on specific sectors of the U.S. economy is difficult to quantify**. **Trade-related job gains and losses since NAFTA** may have accelerated trends that were ongoing prior to NAFTA and **may not be totally attributable to the trade agreement**.52 **Quantifying these effects is challenging because of the other economic factors that influence trade and employment levels**. The devaluation of the Mexican peso in 1995 resulted in lower Mexican wages, which likely provided an incentive for U.S. companies to move to lower their production costs. **Trade-related employment effects** following NAFTA **could have** also **resulted from the lowering of trade barriers, and from the economic conditions in Mexico** and the United States influencing investment decisions and the demand for goods.

## Mexico Relations adv.

No brink – too many other factors affect US legitimacy – the Ikenberry evidence can’t isolate any specific scenario and the internal link is marginal.

#### Status quo solves relations

**Archibold and Shear, 13** (Randal C. Archibold and Michael D. Shear, 5/3/13, “Obama Tells Mexico Audience of New Era in Relations”, http://www.nytimes.com/2013/05/04/world/americas/obama-seeks-to-banish-stereotypical-image-of-mexico.html?\_r=0&pagewanted=print)//EM

MEXICO CITY — President Obama, speaking to an enthusiastic crowd of young people here, on Friday declared a new era in relations with Mexico that will focus on strengthening the countries’ economic ties and that will play down the battle against drug gangs that has dominated the discourse for several years. Hours after a private dinner with President Enrique Peña Nieto of Mexico, who has made an overhaul of laws to foster economic growth the highlight of his five-month-old term, Mr. Obama urged Americans to look past stereotypes of Mexican violence and despair, and embrace the country’s strengthening democracy and economic health. “We agree that the relationship between our nations must be defined not by the threats that we face, but by the prosperity and the opportunity that we can create together,” Mr. Obama said to vigorous applause before an audience of high school and college students at the National Anthropology Museum. After suggesting a few days ago that security relations between the United States and Mexico could be better, Mr. Obama hardly mentioned the subject in his speech or in earlier remarks on Thursday, a sign the topic has given American officials plenty of headaches. Thousands of people have been killed in battles between Mexican drug gangs and the police and military, while the flow of cocaine and marijuana flourishes. Business analysts have said Mexico’s economy would be even further along without its violence. But investment has gone forward, and the economy is a sunnier subject over all; the United States is Mexico’s largest trading partner and Mexico is the United States’ third largest, behind Canada and China. Poverty remains deep here. Mr. Peña Nieto acknowledged this week that three of five Mexicans scrape by on informal jobs and that wages have so stagnated that they are now lower than China’s, contributing to a sense among the members of the public that they are not yet feeling “Mexico’s moment,” as the government slogan would have it. But a surge of investment in manufacturing, technology and other sectors has helped lift the middle class and consumer spending and contributed to growth levels in the national economy that have been double those of the United States in the past two years. Still, economic and trade talks have caused plenty of friction and disagreements, too. Mexican government officials, in private talks with Mr. Obama, homed in on long, costly waits for trucks and workers at the international border in both directions, but far more severe going into the United States. The backups grew significantly with the United States security clampdown on the border after the attacks of Sept. 11, 2001, and budget constraints and the political reality of the mood for tighter border security may inhibit building new or larger stations or adding manpower to them. But senior administration and Mexican officials suggested public-private partnerships could finance renovations. “There was certainly recognition on both sides that this is something that we need to focus on,” said one senior United States official who participated in the meetings. “It brings together the issue of border safety, border security, immigration and trade.”

#### Relations high and resilient – economic interdependence

Tisdall 13 (Simon Tisdall is an assistant editor of the Guardian and a foreign affairs columnist. He was previously a foreign leader writer for the paper and has also served as its foreign editor and its US editor, based in Washington DC. He was the Observer's foreign editor from 1996-98 "Death of Hugo ChÃ¡vez Brings Chance of Fresh Start for US and Latin America." The Guardian. Guardian News and Media, 03 May 2013. Web. 17 July 2013.

<http://www.guardian.co.uk/world/2013/mar/05/hugo-chavez-dead-us-latin-america>.)

The political climate seems propitious. Economic and cultural ties are also strengthening dramatically. Trade between the US and Latin America grew by 82% between 1998 and 2009. In 2011 alone, exports and imports rose by a massive 20% in both directions. "We do three times more business with Latin America than with China and twice as much business with Colombia [as] with Russia," an Obama official told Julia Sweig of the US Council on Foreign Relations. Latinos now comprise 15% of the US population; the US is the world's second largest Spanish-speaking country (after Mexico).

#### Empirics prove no escalation

Cárdenas, ‘11

[Mauricio, senior fellow and director of the Latin America Initiative at the Brookings Institution, 3-17, “Think Again Latin America,” Foreign Policy, <http://www.foreignpolicy.com/articles/2011/03/17/think_again_latin_america?page=full>]

"Latin America is violent and dangerous." Yes, but not unstable. Latin American countries have among the world's highest rates of crime, murder, and kidnapping. Pockets of abnormal levels of violence have emerged in countries such as Colombia -- and more recently, in Mexico, Central America, and some large cities such as Caracas. With 140,000 homicides in 2010, it is understandable how Latin America got this reputation. Each of the countries in Central America's "Northern Triangle" (Guatemala, Honduras, and El Salvador) had more murders in 2010 than the entire European Union combined. Violence in Latin America is strongly related to poverty and inequality. When combined with the insatiable international appetite for the illegal drugs produced in the region, it's a noxious brew. As strongly argued by a number of prominent regional leaders -- including Brazil's former president, Fernando H. Cardoso, and Colombia's former president, Cesar Gaviria -- a strategy based on demand reduction, rather than supply, is the only way to reduce crime in Latin America. Although some fear the Mexican drug violence could spill over into the southern United States, Latin America poses little to no threat to international peace or stability. The major global security concerns today are the proliferation of nuclear weapons and terrorism. No country in the region is in possession of nuclear weapons -- nor has expressed an interest in having them. Latin American countries, on the whole, do not have much history of engaging in cross-border wars. Despite the recent tensions on the Venezuela-Colombia border, it should be pointed out that Venezuela has never taken part in an international armed conflict. Ethnic and religious conflicts are very uncommon in Latin America. Although the region has not been immune to radical jihadist attacks -- the 1994 attack on a Jewish Community Center in Buenos Aires, for instance -- they have been rare. Terrorist attacks on the civilian population have been limited to a large extent to the FARC organization in Colombia, a tactic which contributed in large part to the organization's loss of popular support.

**US Drug policy block US-Latin American relations**

Shifter ‘12

(Michael is an Adjunct Professor of Latin American Studies at Georgetown University's School of Foreign Service. He is a member of the Council on Foreign Relations and writes for the Council's journal Foreign Affairs. He serves as the President of Inter-American Dialogue. “Remaking the Relationship: The United States and Latin America,” April, IAD Policy Report, http://www.thedialogue.org/PublicationFiles/IAD2012PolicyReportFINAL.pdf)

In the spirit of “shared responsibility,” often invoked by senior US policy officials, it is critical that the US government respond to increasing calls from Latin American leaders for a serious review of drug policy. As the Latin American Commission on Drugs and Democracy made clear, current measures addressing the drug problem are not working and alternatives need to be considered. That commission, led by three highly regarded former Latin American presidents—Fernando Henrique Cardoso of Brazil, Ernesto Zedillo of Mexico, and César Gaviria of Colombia—rightly emphasized that drug problems and their contributions to criminal violence and widespread corruption threaten the rule of law in a number of countries. The commission’s recommendations—including the decriminalization of marijuana, greater emphasis on drugs as a public health problem, and increased support for harm reduction—should be taken seriously and should serve as a starting point for an honest US-Latin American dialogue on the drug question. More serious attention and resources directed at reducing consumption in the United States are essential. Since the commission’s report in 2009, even some sitting Latin American presidents, including Mexico’s Felipe Calderón, Colombia’s Juan Manuel Santos, and Guatemala’s Otto Pérez Molina, have called for collective pursuit of new drug policy options, including consideration of legalization. Although there is debate about the merits of alternative policies—and political obstacles in the region and, particularly, in the United States, remain strong—a serious discussion is urgently needed about how to be more effective in dealing with the drug problem. This sense of urgency is underscored by the alarming crime statistics reported in the region. According to the United Nations, Latin America has the highest rate of homicides per capita of any region in the world. Although the causes are many, the narcotics trade is a key contributor.

## Oil spills adv.

#### No impact to oil spills

**Crocker, 11** (David Crocker, 4/30/11, “Oil Spills Are Not “Environmental Catastrophes”” http://www.behindbluelines.com/2011/04/30/oil-spills-are-not-enviromental-catastrophes/)//EM

Obviously, oil spills are messy and unpleasant – and to be avoided. But are they “catastrophes” in the perfervid language of contemporary environmentalism – events causing irreparable or even persistent damage? Clearly not. First, consider some facts. During World War II, thousands of ships were sunk and millions of gallons of oil spilled. In merchant tonnage alone, the US lost over 1,500 ships with hundreds more damaged. The Germans sank 42 oil tankers off the US east coast and oil fouling the seascape was a fact of life during the war years. Since the war, we’ve seen numerous oil spills large and small – with what result? In fact, the oceans seep oil. People growing up on the US Gulf coast live with tar balls washing up on the beach. Each year, the equivalent of two Exxon Valdezes seep into the Gulf – to no effect other than feeding adapted bacteria. So, what’s the big deal with the BP spill last year? Apparently, not much. From the Globe and Mail: Here’s some news you may not have heard: One year after the worst oil spill in history, the Gulf of Mexico is nearly back to normal. That’s right: Armageddon didn’t happen. Instead of terrible harm to the biosphere, the Deepwater Horizon spill has caused only mild problems. In fact, because of the fishing bans imposed after the spill, there are more fish than ever. Shark and mackerel populations have exploded. “Red snapper are unbelievable right now,” one fisherman said. “You could put a rock on the end a string and they’d bite it.”

**Marine ecosystems are resilient**

Kennedy ‘2

Victor Kennedy, PhD Environmental Science and Dir. Cooperative Oxford Lab., 2002, “Coastal and Marine Ecosystems and Global Climate Change,” Pew, http://www.pewclimate.org/projects/marine.cfm

There is evidence that marine organisms and ecosystems are resilient to environmental change. Steele (1991) hypothesized that the biological components of marine systems are tightly coupled to physical factors, allowing them to respond quickly to rapid environmental change and thus rendering them ecologically adaptable. Some species also have wide genetic variability throughout their range, which may allow for adaptation to climate change.

**Spill impact would be very contained – probably only affects Florida**

Whittle ‘12

Daniel J. Whittle et al, Cuba Program Director for the Oceans Program, Environmental Defense Fund, 2012, “Bridging the Gulf: Finding Common Ground on Environmental and Safety Preparedness for Offshore Oil and Gas in Cuba,” http://www.edf.org/sites/default/files/EDF-Bridging\_the\_Gulf-2012.pdf

In preparation for Repsol’s exploration project in 2012, NOAA generated computer tracking models to assess the threat to U.S. coasts and shorelines from deepwater drilling off the coast of Cuba. NOAA selected 20 potential deepwater drilling sites from the western region of Cuba to the Bahamas. The model was run using 200 different spill scenarios based on a variety of ocean current and weather conditions. According to the agency’s first study of a hypothetical spill from a deepwater well site offshore of Cuba, the area at highest risk of shoreline impact could be the eastern shore of Florida.40 Areas as far north as Charleston, South Carolina could face potential shoreline risk, though the modeled scenario predicted a lower likelihood of oiling for shorelines north of the Florida border.

## Solvency

**Plan fails – laundry list**

**Booth and Miroff 5/7** (William, Nick, 5/7/13, “To power Mexico forward, Peña Nieto looks to energy reform,” http://articles.washingtonpost.com/2013-05-07/world/39073749\_1\_energy-industry-foreign-oil-petroleos-de-mexico)//DR. H

Lifting the restrictions on foreign oil companies through a constitutional amendment would require a two-thirds majority in Mexico’s Congress and the endorsement of more than half of the country’s state governors. Peña Nieto is expected to face considerable political wrangling from the powerful oil workers union, left-leaning lawmakers and interest groups, which are content with their slice of the status quo, even as overall production has slipped.

Analysts say that unless Mexico can offer foreign drillers a share of the crude, rather than the fee-per-service contracts that Pemex offers, the country will have a hard time attracting the capital and expertise it needs. Because multinational oil companies raise money from investors based on the estimated amount of oil they own the rights to, and Mexico’s prevailing model affords them no ability to claim, or “book,” reserves, there’s little incentive to drill there.

Then there is the problem of Pemex’s creaky infrastructure and poor safety record, underscored by a Jan. 31 explosion caused by a gas leak at the company’s Mexico City headquarters that killed 38 people and injured 120.

Ownership concerns

Mexico’s three major political parties have signed a broadly written “Pact for Mexico,” whose ­energy-related provisions concur that all hydrocarbons should remain state-controlled and that Pemex needs to be a competitive, modern and profitable company with ramped-up production.

**No American investment – disclosure agreements**

Simmons 4/30 (Daniel, Director of Regulatory and State Affairs at the Institute for Energy Research, BA in economics from Utah State University, J.D. from George Mason University School of Law, Master Resource: A free-market energy blog, April 30, 2013, “U.S.-Mexico Transboundary Hydrocarbons Agreement: A Rare Victory for Oil and Gas in the Obama Era,” <http://www.masterresource.org/2013/04/u-s-mexico-transboundary-hydrocarbons-agreement/>, alp)

In an otherwise good agreement, one potential problem is a conflict between Article 20 of the agreement and the Security and Exchange Commission’s Rule 13q-1 regarding Resource Extraction Payments. Article 20 states: To the extent consistent with their national laws, the Parties shall maintain confidential, and obligate their Licensees to maintain confidential, all Confidential Data and other information obtained from the other Party or its Licensees in accordance with this Agreement. Together with Rule 13q-1, requiring “resource extraction issuers” to disclose payments made to foreign governments, Article 20 can create an impossible situation for American companies operating on transboundary hydrocarbon resources. For example, Mexican confidentiality requirements may forbid the disclosure of the very information that Rule 13q-1 requires American companies to disclose. This would lead to a situation where companies regulated by the SEC have, at very least, uncertainty about compliance with both Mexican and American disclosure laws. This uncertainty and potential disclosure conflict would place foreign state-owned oil companies, who are not regulated by the SEC, at a competitive advantage to the companies which operate in the United States are regulated by the SEC. Because much of the transboundary area is deepwater, it would require multi-billion dollar investments to produce the hydrocarbon resources. Any legal uncertainty brought about by disclosure law could easily dissuade American companies from undertaking what is already an expensive decision, in turn reducing opportunities for new jobs for Americans. Rule 13q-1 also creates a different type of competitive disadvantage for American companies operating in the Gulf of Mexico Transboundary area. The rule would allow foreign state-owned oil companies with a competitive advantage to consider business-sensitive information about American companies’ operations. If Mexico were to allow foreign-owned companies to extract oil along the deepwater transboundary area, there could very well be competition between U.S. private companies and foreign-state owned companies. Even though the deepwater technology was developed in the U.S. deepwater, the U.S. companies would be at a disadvantage. This is like playing poker but being required to show your cards to your fellow card-players.

# 2nc

## Da

**Results in Extinction**

Toon ‘7

(Owen B, chair – Department of Atmospheric and Oceanic Sciences – Colorado University, climate.envsci.rutgers.edu/pdf/acp-7-1973-2007.pdf)

To an increasing extent, people are congregating in the world’s great urban centers, creating megacities with populations exceeding 10 million individuals. At the same time, advanced technology has designed nuclear explosives of such small size they can be easily transported in a car, small plane or boat to the heart of a city. We demonstrate here that a single detonation in the 15 kiloton range can produce urban fatalities approaching one million in some cases, and casualties exceeding one million. Thousands of small weapons still exist in the arsenals of the U.S. and Russia, and there are at least six other countries with substantial nuclear weapons inventories. In all, thirty-three countries control sufficient amounts of highly enriched uranium or plutonium to assemble nuclear explosives. A conflict between any of these countries involving 50-100 weapons with yields of 15 kt has the potential to create fatalities rivaling those of the Second World War. Moreover, even a single surface nuclear explosion, or an air burst in rainy conditions, in a city center is likely to cause the entire metropolitan area to be abandoned at least for decades owing to infrastructure damage and radioactive contamination. As the aftermath of hurricane Katrina in Louisiana suggests, the economic consequences of even a localized nuclear catastrophe would most likely have severe national and international economic consequences. Striking effects result even from relatively small nuclear attacks because low yield detonations are most effective against city centers where business and social activity as well as population are concentrated. Rogue nations and terrorists would be most likely to strike there. Accordingly, an organized attack on the U.S. by a small nuclear state, or terrorists supported by such a state, could generate casualties comparable to those once predicted for a full-scale nuclear “counterforce” exchange in a superpower conflict. Remarkably, the estimated quantities of smoke generated by attacks totaling about one megaton of nuclear explosives could lead to significant global climate perturbations (Robock et al., 2007). While we did not extend our casualty and damage predictions to include potential medical, social or economic impacts following the initial explosions, such analyses have been performed in the past for large-scale nuclear war scenarios (Harwell and Hutchinson, 1985). Such a study should be carried out as well for the present scenarios and physical outcomes.

**Prefer highest probability**

Russell ‘9

James A. Russell, Senior Lecturer, National Security Affairs, Naval Postgraduate School, ‘9 (Spring) “Strategic Stability Reconsidered: Prospects for Escalation and Nuclear War in the Middle East” IFRI, Proliferation Papers, #26, http://www.ifri.org/downloads/PP26\_Russell\_2009.pdf

Strategic stability in the region is thus undermined by various factors: (1) asymmetric interests in the bargaining framework that can introduce unpredictable behavior from actors; (2) the presence of non-state actors that introduce unpredictability into relationships between the antagonists; (3) incompatible assumptions about the structure of the deterrent relationship that makes the bargaining framework strategically unstable; (4) perceptions by Israel and the United States that its window of opportunity for military action is closing, which could prompt a preventive attack; (5) the prospect that Iran’s response to pre-emptive attacks could involve unconventional weapons, which could prompt escalation by Israel and/or the United States; (6) the lack of a communications framework to build trust and cooperation among framework participants. These systemic weaknesses in the coercive bargaining framework all suggest that escalation by any the parties could happen either on purpose or as a result of miscalculation or the pressures of wartime circumstance. Given these factors, it is disturbingly easy to imagine scenarios under which a conflict could quickly escalate in which the regional antagonists would consider the use of chemical, biological, or nuclear weapons. It would be a mistake to believe the nuclear taboo can somehow magically keep nuclear weapons from being used in the context of an unstable strategic framework. Systemic asymmetries between actors in fact suggest a certain increase in the probability of war – a war in which escalation could happen quickly and from a variety of participants. Once such a war starts, events would likely develop a momentum all their own and decision-making would consequently be shaped in unpredictable ways. The international community must take this possibility seriously, and muster every tool at its disposal to prevent such an outcome, which would be an unprecedented disaster for the peoples of the region, with substantial risk for the entire world.

## 2nc perception link

**( ) New oil markets makes Saudis perceive decline in US-Saudi ties.**

House ‘12

(not oft-disgruntled House, M.D., but Pulitzer Prize-winning journalist and former publisher of The Wall Street Journal, Karen Elliott House. Carnegie Council Transcripts and Articles – November 30, 2012 – lexis)

QUESTION: Warren Hoge[28], International Peace Institute.¶ Karen, there's a lot of talk in American politics about the desire to become energy independent, no longer dependent upon countries like Saudi Arabia, and there's a real possibility that could happen. The numbers are there, fracking and offshore oil, that sort of thing. Suppose that does happen. How would that affect our relationship with Saudi Arabia, and is this something the Saudis themselves worry about?¶ KAREN ELLIOTT HOUSE: I don't think they like it when we talk about energy independence. They do take that as a personal insult. I think it would loosen somewhat our sense of dependence. But the global economy is still going to be not we so much; I mean we're not a major importer of Saudi oil now but the global economy is a major importer of Saudi oil and will continue to be.¶ There are a lot of people, like John Deutch[29], who is a very smart man and certainly knows energy, who believes that it doesn't matter who runs Saudi Arabia, they will export oil. And they obviously will export some. But if you assume that if anything happened to take the royal family out of the picture, the only other organized structure because nothing is allowed to organize, no book clubs, no photography clubs, no soccer leagues other than the one the government runs is the religious organization. There are 70,000 mosques all over the country. That's basically one for every 150 men. So that's the most organized group.

**US Shale boom doesn’t trigger the link – overstated supply.**

Husain ‘13

[internally quoting Dr Bassam Fattouh, the Director of the Oil and Middle East Programme at the Oxford Institute of Energy Studies, Research Fellow at St Antony’s College, Oxford University and professor at the School of Oriental and African Studies was in Dhahran. Syed Rashid Husain, Energy Columnist at Saudi Gazette, CEO at Husain's Associates, Toronto, CANADA, Vice President at Al-Azzaz Est; Education: Institute of Business Administration, 6/2/13, “Breaking down US energy independence hype,” Dawn, http://beta.dawn.com/news/1015486/breaking-down-us-energy-independence-hype]

Last week, Dr Bassam Fattouh, the Director of the Oil and Middle East Programme at the Oxford Institute of Energy Studies, Research Fellow at St Antony’s College, Oxford University and professor at the School of Oriental and African Studies was in Dhahran, talking about the ongoing revolution in the energy world, the challenges it presents and, ‘the disconnect’ between the hype that Washington is soon to be free of dependence on the oil rich Middle East and the reality.¶ Can Washington really be on a solo flight? Would the geopolitics of the oil rich Middle East about to change on account of the shale revolution? Isn’t all this for domestic political consumption?¶ Fattouh kept countering and discarding the arguments of the hype mongers — one after the other. He underlined in very clear terms, that no shale revolution would have taken place without the sustained high crude market prices. The prices, he said, has been one of the major ‘enablers’ of this revolution.¶ While many in the industry continue to argue that crude markets are about to turn soft — rather considerably — due to the weakening market fundamentals, yet Fattouh says the possibility of a price meltdown is not too high.¶ Even today producers are hedging their output in mid 90s, indicating that the prices may continue to be around the current price level. And then the ongoing shale revolution owes its origin to cheap capitals — made available by the governments all around.¶ He argued that looking at the incremental supplies from the US; one might get an impression of abundance. But that is not the case — he countered.¶ “Despite the sloppy global demand, why are the oil prices not going down?” he questioned. An interesting counter argument indeed.¶ The US developments alone could not transform the global markets, he emphasised. Other factors, such as continued dwindling demand in the US and the rest of the world, non-Opec production scenario, squeeze on Opec and lack of cohesion within the producers’ group, could lead to that. And with situation about the above issues not very clear, the current ongoing hype is only adding to uncertainty in the markets.¶ Fattouh also raised questions about the sustainability of the US output, underlining that 90 per cent of the output from Bakken and Eagle Ford are coming from 5/6 counties while the decline rates in the wells are considerable. Consequently, to ensure steady growth, the numbers of wells being drilled are on rise.¶ Turning to the evolving market, he pointed out that US domestic production has led to lack of demand of light and medium crude. However, demand for the heavy crude, produced by the Saudi Arabia is there.¶ And in the meantime, due to price discount the Canadian producers need to provide to their customers, the growth in Canadian output is slowing down, resulting in continued US imports from the Middle East, the director at the Oxford Institute for Energy Research underlined.

**( ) US Shale is too short term to bridge energy independence**

Business Insider ‘13

 [Arthur Berman, (quoted in article) Oil Analyst, Labyrinth Consulting Services, 1/20/2013, “Oil Guru Destroys All Of The Hype About America's Energy Boom,” Business Insider, http://www.businessinsider.com/arthur-berman-shale-is-magical-thinking-2013-1?op=1#ixzz2WKIYV4kB]

Not everyone believes the U.S. is capable of becoming energy independent thanks to its shale oil and gas reserves, as the International Energy Association suggested recently.¶ The math just doesn't work out, they say — America consumes too much. ¶ But some are even more skeptical than that.¶ Arthur Berman, an oil analyst with Labyrinth Consulting Services, says the promise of America's shale reserves have been vastly overstated.¶ His main argument: Shale is too expensive to drill, and shale wells usually don't last longer than a couple of years.¶ Last year, he laid out his case at a gathering of the Association for the Study of Peak Oil and Gas in Austin Texas.¶ With his permission, we've reproduced it here.¶ Berman argues the promise of America's shale revolution is "magical thinking." Shale drilling is too expensive and too ephemeral to make a lasting impact.¶ There tends to be a huge gap between the estimated amount recoverable and what actually ends up getting recovered.¶ Shale is the most expensive and most complicated source of energy.¶ The amount of product shale has contributed to overall consumption has been relatively minuscule.¶ The gap between production and consumption is 9 million barrels of oil a day. "It is unlikely that the U.S. will become energy independent," Berman argues.¶ Berman focuses on the Bakken oil play in North Dakota. As of last summer it had 236 rigs, second highest in the nation.¶ He says Bakken oil production has increased to 573,000 barrels per day from 4874 producing wells. The average well is 118 barrels of oil per day, and each well costs $11.5 million.¶ But the Bakken has a 38 percent decline rate, according to Berman — meaning if you stopped drilling now, you'd lose 38% of your production after a year.¶ He says there was no improvement in well efficiency between 2010 and 2011. In some cases it's taking increasing numbers of wells to get the same amount of product. Berman says the costs are "astronomical."¶ The Bakken is already going at a breakneck rate — there's now very little production coming from wells older than a few years.¶ We can see the same phenomenon occurring in other shale plays like the Eagle Ford in Texas.¶ The number of currently viable wells in the Bakken has dwindled.¶ In conclusion: America's gains from shale will be short-lived, and certainly won't be our bridge to independence.

**( ) US fracking won’t unlock an oil independence– the product’s quality is too low.**

Owen ‘13

[Jane Owen, resident and founder of Citizens League for Environmental Action Now (CLEAN), “Long-Term Costs Of Fracking Are Staggering,” Climate Progress, 03/19/2013, http://thinkprogress.org/climate/2013/03/19/1742171/long-term-costs-of-fracking-are-staggering/?mobile=nc]

All the hype by the fossil fuel industry about energy independence from fracking (hydraulic fracturing) in tight gas reservoirs like the Barnett Shale has left out the costs in energy, water and other essential natural resources.¶ Furthermore, a recent report from the Post Carbon Institute finds that projections for an energy boom from non-conventional fossil fuel sources is not all it’s cracked up to be.¶ The report cites a study by David Hughes, Canadian geologist, who says the low quality of hydrocarbons from bitumen – shale oil and shale gas – do not provide the same energy returns as conventional hydrocarbons due to the energy needed to extract or upgrade them. Hughes also notes that the “new age of energy abundance” forecast by the industry will soon run dry because shale gas and shale oil wells deplete quickly. In fact, the “best fields have already been tapped.”¶ “Unconventional fossil fuels all share a host of cruel and limiting traits,” says Hughes. “They offer dramatically fewer energy returns; they consume extreme and endless flows of capital; they provide difficult or volatile rates of supply over time and have large environmental impacts in their extraction.”

### prices link – mexico

**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/ //kdh)

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.

**Investing in Mexican oil would substantially decrease U.S. dependence on Middle East**

**Ahdoot et. al, 1** (Jason D. Ahdoot, Attorney at the Law Offices of Jason D. Ahdoot, Masters in Public Policy from Pepperdine University School of Law, David Vela, Charity Morsey, "Alleviating U.S. Dependence on OPEC", Pepperdine University School of Public Policy, April 2001, publicpolicy.pepperdine.edu/master-public-policy/content/capstones/opec.pdf //kdh)

If the U.S. invests more money in countries that have proven reserves, it may be able to lessen dependence on oil from OPEC and safeguard itself from an oil shortage at a time of crisis or economic disruption. The U.S. could invest in domestic production capacity, as well as production and refining facilities abroad. Currently, non-OPEC production is concentrated in seven countries including Canada, UK Mexico, Norway, China, Russia and the US. Currently, the Bush administration has called for an expansion in imports of petroleum from Mexico. The administration calls for more privatization of the oil reserves in Mexico and more investment by U.S. oil producing companies. This makes sense because aside from the fact that Mexico is one of our closest neighbors, we have a bilateral trade pact that would facilitate the export of oil, creating a relatively safe investment opportunity. In a recent study, the British Petroleum Statistical Review, Mexico has 28.4 million barrels of proven oil reserves as of 1999. Contracts with Mexico for the importation of oil to the U.S. have been on the rise since 1994.37 This capacity has been furthered with the implementation of the North American Free Trade Agreement (NAFTA). NAFTA has pierced through many jurisdictional barriers, allowing Americans to enjoy the importation of Mexican petroleum. Because Mexico has large proven reserves, and the U.S. has such a high demand for petroleum, we should be able to facilitate a mutually beneficial relationship. In Mexico, privatization of the nationalized petroleum industry may be a challenge, but the current administration has promised to help Americans with their energy crisis. PEMEX has long been the existing monopoly, and the Mexican Constitution stipulates that natural resources such as oil and gas must remain nationalized. In hopes of liberalizing a sector of this monopoly and amending the constitution, newly elected Mexican President V. Fox has appointed four of Mexico’s wealthiest businessmen to the PEMEX board. The U.S. government in this instance can opt to invest in Mexico’s energy sector via NAFTA negotiations. If so, NAFTA will be renegotiated in the year 2007. This could serve as an opportunity for the US to propose plans for a more integrated energy trade and regional self-sufficiency strategy. The precursors for establishing a regional trade agreement with Mexico already exist within the political and economic framework of the Mexico-U.S. NAFTA partnership. These policies are a benchmark for the development of “geographical linkages for self-sustenance.” An investment in Mexico would mitigate the impact of aggressive policies by the Middle East and its destabilizing surprises.

### flood – 1nc

**OPEC members will flood the market – our evidence postdates yours and assumes U.S. shale findings**

**McCarthey and Jones, 6/8**/13 (global energy reporter for the Globe and Mail, business reporter for the Globe and Mail, citing Saudi Arabia’s oil minister and OPEC, “OPEC’s slipping grasp on the world’s oil market”, The Globe and Mail, 6/8/2013, http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/opecs-slipping-grasp-on-the-worlds-oil-market/article12431746/?page=1, JKahn)

OPEC ministers put on a brave face when pressed about one of a number of growing threats to the cartel’s influence over world crude oil markets – surging shale oil production in the United States. At OPEC’s home base in Vienna last week, Saudi Arabia’s powerful oil minister, Ali al-Naimi, played down the impact of the light, sweet crude that is gushing in record volumes from beneath North Dakota’s bald prairie and the scrubby landscape of South Texas. “This is not the first time new sources of oil are discovered, don’t forget history,” he said. “There was oil from the North Sea and Brazil, so why is there so much talk about shale oil now?” Secretary-general Abdalla El-Badri was even more blunt: “OPEC will be around after shale oil finishes.” Despite the bluster from the biggest names in the 12-nation group that supplies a third of the world’s oil, however, it is clear the Organization of Petroleum Exporting Countries is getting nervous, and experts are questioning how long the cartel can act together to hold sway over global oil prices. At the meeting, where the group kept its production ceiling of 30 million barrels a day, it also took the revealing step of forming a committee to study the impact of the hydraulic fracturing and horizontal drilling. The technology is propelling North America toward energy self-sufficiency and may spread to other countries with their own shale oil prospects. “It is a great concern for us, even if we do respect the integrity of the U.S. to be self-sustainable in terms of oil and gas,” said Nigerian Oil Minister of Petroleum Resources Diezani Alison-Madueke, whose country is among the most affected in terms of the loss of exports to the United States. More than 50 years after it was created to wrest economic power from the major oil companies, the OPEC oil cartel finds itself at risk of losing its dominant role in the global oil market. The group is increasingly competing with new oil sources that are starting to chip away at its share in previously secure markets, while a shaky global economy keeps demand for oil at bay. Also troubling for OPEC as it looks to protect oil prices: One key member, long-suffering Iraq, is aiming to dramatically increase production and flex its muscles again as a major exporter. It adds up to a nightmare scenario for the group. China, Russia and other countries are taking early steps to emulate the North American unconventional oil boom of recent years, which has the U.S. on track to overtake Saudi Arabia as the world’s largest oil producer. Some key OPEC members, meanwhile, are **eager to pump as much as possible** to bring in badly needed revenue, rather than restrain output as part of any concerted effort to add upward pressure to prices. The risk is that **such a scenario leads to cutthroat competition and a flood of oil in global markets, triggering a plunge in prices that could threaten the economic and political stability of its member nations. “There’s a storm brewing on the horizon**,” said Greg Priddy, an analyst with Eurasia Group, a Washington-based political risk firm, “You are looking a year or two out before it becomes acute. But that is the direction we are headed.” How Saudi Arabia and the rest of the fractious group cope with its external and internal threats will have **ripple effects around the globe**, from consumers ever sensitive to pump prices, to China’s fast-growing industries, to Alberta’s high-cost oil sands producers that need rich enough prices to justify new investment in their own vast reserves. The coming ‘supply shock’ **There is no question that OPEC still holds sway in the market**. Traders from Singapore to New York to Calgary hang on every word its ministers utter as they enter and exit closed-door meetings, to gauge potential impacts on prices. The group’s firm hand on its oil taps in the face of growing supplies from non-OPEC countries continues to influence international prices, which have remained around its $100 (U.S.) a barrel target. Still, OPEC’s world is changing. “They are not at a pivot point yet, but there are clear challenges ahead,” said Daniel Yergin, vice-chairman of IHS Inc. and a leading consultant on the global oil industry. “There are geopolitical challenges – regional challenges that come with the stand-off over Iran’s nuclear program and the concerns Arab Gulf states have over it, and the Syrian conflict, which has elements of being a proxy war among countries that are key members of OPEC. “And there is the buildup of supply coming from North America – in particular this dramatic increase, this surge, in U.S. oil production – and also the potential recovery of Iraq, [which is] very keen to make up for lost time.” As recently as last year, OPEC members **dismissed booming U.S. shale oil production as a flash in the pan**. The formation of a study group to pore over the impacts shows the that thinking has changed. It is no wonder. In its May Medium-Term Oil Market Report, the International Energy Agency referred to growth in U.S. light oil, along with the Canadian oil sands, as a “supply shock” that will be “as transformative to the market over the next five years as was the rise of Chinese demand over the last 15.” Driven by the boom in oil production from regions such as the North Dakota Bakken and Eagle Ford in Texas, the United States is now on track to be the world’s largest oil producer in the next decade, according to some forecasts. The IEA, the West’s energy watchdog, has predicted the United States will pump 11.1 million barrels a day by 2020, up from nearly seven million in 2012 and surpassing Saudi Arabia in the process. North Dakota production has more than doubled in two years to nearly 800,000 barrels a day. Already, after decades of promises, the shale revolution is helping the U.S. finally shake its “unhealthy addiction” to imported oil, as former president George W. Bush called it. That alone will not strip OPEC of its overall market power. But cartel members such as Nigeria and Algeria that are known for producing light sweet crude – the easily flowing supplies that are low in sulphur content and simple to refine – are feeling the pinch. U.S. imports from Nigeria were more than halved to 403,000 barrels a day in March, 2013, from 913,000 in March, 2011, according to the U.S. Energy Information Administration. Nigeria, Algeria and others have redirected exports to Asia and other markets amid expectations that the U.S. will eventually require no such supplies, said Michael Wittner, managing director and head of commodities research for Société Générale SA’s Americas operations. “Is OPEC relevant? As long as the shale oil is a North American thing, yes. That’s something I would say will hold for maybe a five-year time horizon.,” Mr. Wittner said. “Out beyond that, the question becomes much more complicated.” He points out that other countries, including Russia, China, Australia and Argentina, may have large shale oil reserves that could one day mean stiff new competition for the OPEC producers. “As we move into unconventionals, OPEC is no longer going to hold all the cards,” said Thomas Pyle, president of the Institute for Energy Research in Washington. Many in the U.S. see Canada and the proposal to build the Keystone XL pipeline to get increasing volumes of Alberta bitumen to the U.S. Gulf Coast as an important move in the geopolitical game. “If the U.S. government got its act together and approved the Keystone pipeline, it would forge us a lasting relationship with Canada that would shift global energy power quite significantly,” Mr. Pyle said. An immediate concern for OPEC due to falling light oil exports to the U.S. is increased competition with other crudes such as those from the North Sea and Russia, said Judith Dwarkin, director of research at ITG Investment Research. “As the U.S. draws less on globally traded crudes, those crudes will then be looking for a home and that’s where the pressure comes – competition among non-North American internationally traded crudes of which OPEC is a big part, but there are others,” Ms. Dwarkin said “So it’s a somewhat more competitive environment in that sense.”

## PEMEX

## 2nc xt: alt causes

#### Alt cause to economy -- border infrastructure hamper trade — inefficiency and congestion

--population growth

--inadequate revenues

--inc. commercial traffic

--inc by 600% since 90

--inefficient rail and trucking infrast.

U.S. Chamber of Commerce 11 — United States Chamber of Commerce, 2011 (“Steps to a 21st Century

U.S.-Mexico Border: A U.S. Chamber of Commerce Border Report,” Available Online at <http://www.uschamber.com/sites/default/files/reports/2011_us_mexico_report.pdf>, Accessed 05-21-2013, p. 18)

Rapid population growth along the border puts increased pressure on infrastructure at a time when government, at all levels, is dealing with inadequate revenues to deal with not only the signiﬁcant backlog of maintenance but also the signiﬁcant investments necessary to create a 21st century infrastructure. Moreover, growth of commercial trafﬁc continues to overwhelm ports of entry to and from the United States and Mexico. From 1990 to 2010, U.S. exports to Mexico grew from $28 billion to $163 billion. Total trade between the United States and Mexico has expanded by more than 600% since 1990. Trucking and rail are the primary modes of transportation for products moving across the border, and both modes are hindered by inefﬁcient infrastructure. By investing in border infrastructure, goods, services, and people will be able to move more efﬁciently, therefore decreasing the costs of doing business. Congestion and inefﬁcient infrastructure produce uncertainty, unreliability, and high costs for international shippers.

## 2nc xt: – instability inev

No good 2ac answer to the double bind – hold the 1ar to the 2ac’s answer

**Extend** Martin and Longmire 11 – PEMEX instability is inevitable due to structural deficiencies the aff cannot overcome – bureaucratic corruption, money laundering, the theft of 2 billion dollars every year, kidnaped executives, unsafe drilling practices, lack of security, cartel attacks, and lack of legislative reform cripple the organization.

Extend Voxi – Mexican economic instability is inevitable **--lack of domestic competition creates** monopolies crowding out smaller companies **and disincentivizing innovation. This affects** all parts **of the economy. The OECD reports that the nationazlied energy sector increases household costs by 40%** crushing the working middle class **– it also forces the manufacturing sector to pay more for raw materials/basic inputs –** they lose millions **from telecommunications and broadcasting which** suffer from lack of reform and corruption**. – no answer to this**

**Instability’s inevitable—drug trafficking**

**Grudgings 09 –** (Stuart, Rueters, Latin America ex-leaders urge reform of US drug war, http://www.reuters.com/article/latestCrisis/idUSN11358345)

RIO DE JANEIRO, Feb 11 (Reuters) - The war against drugs is failing and the U.S. government should break with "prohibition" policies that have achieved little more than cram its prisons and stoke violence, three former Latin American presidents said on Wednesday. The respected former presidents urged the United States and Latin American governments to move away from jailing drug users to debate the legalization of marijuana and place more emphasis on the treatment of addicts. Former Colombian President Cesar Gaviria said there was no meaningful debate over drugs policy in the United States, despite a broad consensus that current policies had failed. "The problem today in the U.S. is that narco-trafficking is a crime and so any politician is fearful of talking about narco-trafficking or talking about policies because they will be called soft," he said. Gaviria has joined with former Brazilian President Fernando Henrique Cardoso and former Mexican President Ernesto Zedillo to try to change the debate on drugs in Latin America, where trafficking gangs have killed tens of thousands of people and weakened democracies through corruption. From Mexico's gang wars to the drug-funded FARC guerrilla group in Colombia and daily shoot-outs between gangs and police in Rio de Janeiro's shantytowns, much of the region is scarred by drug violence and many believe U.S. policies have failed. A United Nations meeting in Vienna next month will frame international drugs policy for the next 10 years, and the three former presidents, whose group is called the Latin American Commission on Drugs and Democracy, said it is time for change. They pointed to falling street prices for cocaine and still high levels of consumption in the United States despite decades of policies focused on punishing users and cutting supplies from Latin American countries such as Colombia. 'PREJUDICES, FEARS' The presidents' commission released a report calling on governments to refocus policies toward treating users, move toward decriminalizing marijuana, and invest more in education campaigns. It said current policies were rooted in "prejudices, fears and ideological visions" that inhibited debate. Even as the group met in Rio on Wednesday, police arrested 51 people in a major operation in the city and other states against a suspected drug smuggling ring that sent cocaine to Europe and brought back synthetic drugs like Ecstasy. Organized crime has flourished around drugs and is now threatening the stability of Mexico, where a spiraling war between rival gangs killed more than 5,700 people last year. Cardoso, one of Latin America's most respected figures, said U.S. leadership was essential to break the cycle of drug-related crime and violence. "It will be almost impossible to solve Mexico's problems and other countries' problems without a more ample, comprehensive set of policies from the U.S. government," he said. Despite winning power on broad promises of change, drugs policy featured little in U.S. President Barack Obama's election campaign and there are few indications that he will embark on a major overhaul. Ga

**Alt cause to Mexico instability—migration barriers**

**Littlefield 09 –** (Edward, Council on Hemispheric Affairs, "As Mexico’s Problems Mount: The Impact of the Economic Recession on Migration Patterns from Mexico")

As migration from, and remittances to, Mexico have decreased as a result of the current recession, the Mexican economy ominously worsens - Migration, remittances, and the national economy should be considered as integral components in the debate over whether Mexico deserves to be classified as a “failed state,” and what should be United States policy The Mexican economy and many of its national institutional structures may be on the brink of collapse. While drug war violence has dominated the recent news about the possible irreversible status as a society beyond remediation, the topic of immigration has been either marginalized or used to further promote fears that the conflict may spread to the United States. Drugs, national security, and economic recession have replaced immigration reform on the United States’ policy agenda. However, the current financial crisis, and its impact south of the border, is intricately linked to matters of immigration, security, and Mexico’s very cohesion.

## 2nc xt: – Status quo solves reform

**Extend Hogue 12 Staus quo growth and reform solves – Mexico is experiencing** growing liberalization **a steady** 5% growth rate **and is well positioned in** comparison to other emerging markets **the PRI has a politically** stabilizing effect **and is implementing** economic and structural reforms **to give Mexico’s economy a competitive advantage. All of this is coupled with** low inflation**.**

**Extend Campbell 12 – Mexico has** plenty of reserves **and is one of** world’s biggest oil exports/producers **– it has experienced** stable oil production **oscillating between 2.5 and 2.6 million barrels a day since 2009 – and its proven oil reserves are naturally declining but at a much** slower and sustainable pace.

**Framing issue: evidence recency –**

**None of their evidence applies – new president and agenda after elections will change the game**

Joao **Peixe** 7-15-20**12**; writer for Oilprice.com Can Enrique Peña Nieto's Energy Reforms Make Mexico a Major Oil Exporter? <http://oilprice.com/Latest-Energy-News/World-News/Can-Enrique-Pea-Nietos-Energy-Reforms-Make-Mexico-a-Major-Oil-Exporter.html>

Mexico’s latest presidential elections have been making headlines around the world due to charges of corruption, yet for all intents and purposes Mexico has elected its next President. We must now look to how Enrique Peña Nieto and his PRI (Partido Revolucionario Institucional) government can realise the ambitious reforms that he promised. Peña Nieto promised that he would make Mexico more productive and more competitive in order to create faster economic growth and development; throughout his campaign he said that this will start with the nation’s energy sector.

**Partial domestic privatization solves PEMEX reform**

**Peixe 12 –** Joao Peixe 7-15-2012; writer for Oilprice.com Can Enrique Peña Nieto's Energy Reforms Make Mexico a Major Oil Exporter? http://oilprice.com/Latest-Energy-News/World-News/Can-Enrique-Pea-Nietos-Energy-Reforms-Make-Mexico-a-Major-Oil-Exporter.html

All oil reserves are state property, and Mexico has huge potential, however, the only company, Petróleos Mexicanos (PEMEX), with the rights for exploration, processing, and selling of the oil, do not have the resources to maximise extraction. Since 2004 Mexican oil output has fallen by 25%, which is a problem as the government receives nearly a third of its revenue from the oil industry. Peña Nieto has decided to encourage growth in the sector by opening it up to foreign investors, specifically Brazil’s Petrobras. In an interview with the Financial Times back in 2011 he said that PEMEX “can achieve more, grow more and do more through alliances with the private sector.” In order to open the industry to private investors such as Petrobras, Peña Nieto must pass a reform agenda through the nation’s congress; a congress where his party does not hold a majority. This means that he will rely upon support from opposition parties to gain the necessary two-thirds vote that he needs to achieve his plans.

## 2nc xt: - no instability

**Extend Silee and Shirt—there’s no instability the 1ac is just** media hype **– it reports on those who have been caught in crossfire exaggerating the risk of political unrest. The majority of deaths are** among traffickers **and the violence is** geographically concentrated **-- none of the 1ac warrants prove it’s a failed state through** academic or well-esteemed literature**.**

## US-Mexico relations

#### They’re low now – multiple issues create tension

--no large scale legalization of worker program

--drug violence

--drug war undermines US trust of mexico as reliable partner

Rosenblum 2011 (Marc R. senior policy analyst at Migration Policy Institute, author of numerous articles, book chapters, etc. about US-Mexico migration issues, immigration policy, and the labor market initiatives). “Obstacles and Opportunities for Regional Cooperation: The US-Mexico Case.” Migration Policy Institute. April 2011. <http://www.migrationpolicy.org/pubs/usmexico-cooperation.pdf>.

On the other hand, the obstacles to cooperation that emerged after the 9/11 attacks generally remain in place, and in some respects are even more daunting than before. The prospects for a large-scale legalization or a new temporary worker program — core elements of the “whole enchilada” framework — are more doubtful in light of the weak US economy and Republican gains in the 2010 congressional elections. And while US and Mexican officials see their campaign against Mexican drug-trafficking organizations as an important example of bilateral cooperation, continued high levels of drug-related violence, concentrated in Mexican border cities and in important migrant-sending states such as Michoacán, threaten to overwhelm other aspects of the bilateral relationship. The drug war in Mexico undermines US trust in Mexico’s ability to be a reliable partner for migration cooperation, and causes many Mexicans to question whether the United States is willing to take on the costs of reform at home, including reducing demand for drugs and the supply of weapons fueling Mexican violence.

#### Bilateral border investments are crucial to U.S.-Mexico relations

--coordinated approach

--shift away from zero-sum mindset

--unilateral actions hinder common goals

Baker Institute 9 — The James A. Baker III Institute for Public Policy at Rice University—a nonpartisan public policy think tank, 2009 (“Developing the U.S.-Mexico Border Region for a Prosperous and Secure Relationship,” Baker Institute Policy Report, Number 38, April, Available Online at http://www.bakerinstitute.org/publications/LAI-pub-BorderSecPREnglish-041509.pdf, Accessed 07-26-2013, p. 1)

The relationship between the United States and Mexico has historically been a strong one, but internal politics in both countries today are preventing a potentially closer and more productive alliance. Problems at the border loom large in the political calculation of decision makers both in Washington, D.C., and Mexico City. ¶ Daily news reports seem to imply that problems developing at the border stand to derail common goals. However, it is our contention that the exact opposite is true. Creative localized solutions to the challenging set of issues that surround the U.S.–Mexico border could hold the key to building a stronger overall bilateral partnership and constructive joint future, rather than serve as the flashpoint for tensions between the two neighbors. Both Mexican President Felipe Calderón and U.S. President Barack Obama have a unique opportunity in the next four years to advance common goals such as economic prosperity and security.¶ This report on the U.S.–Mexico border aims to aid policymakers in forging stronger and sustainable U.S.–Mexico bilateral relations with the use of more coordinated approaches to border issues. Sponsored by the James A. Baker III Institute for Public Policy at Rice University in Houston, Texas, this study investigates the important role of border institutions, civil society, cross-border transnational populations, and localized, small-scale problem-solving as a first defense against the deteriorating conditions at the border—be they humanitarian, economic, or security-related. By better understanding life along each side of the U.S.–Mexico border, we hope to demonstrate the great potential of this vibrant region to play a positive role in both the U.S. and Mexican economies and intertwined transnational communities. Rather than represent a zero-sum unilateral dilemma, the border can be a stepping stone toward a lasting friendship between the United States and Mexico, and positively influence citizens on both sides of the boundary. The border should be where one can best see the benefits for the two countries of collaborating and cooperating on issues of major concern. Instead, the border is increasingly becoming an area of tension, conflict, and unilateral policies and actions that are more likely to hinder, rather than promote, common goals.

**There’s a long time frame**

**Kay, 01** (Jane, staff writer for the San Francisco Chronicle, July 26, 2001, “Study takes historical peek at plight of ocean ecosystems,” San Francisco Chronicle, http://www.sfgate.com/green/article/Study-takes-historical-peek-at-plight-of-ocean-2895214.php, Hensel)

The collapse of ecosystems often occur over a long period. In one example, when Aleut hunters killed the Alaskan sea otter about **2,500 years ago**, the population of their natural prey, the sea urchin, grew larger than its normal size. In turn, the urchins grazed down the kelp forests, important habitat for a whole host of ocean life. Then, when fur traders in the 1800s hunted the otters and sea cows almost to extinction, the kelp forests disappeared and didn't start to regenerate until the federal government protected the sea otters in the 20th century. In California, the diversity of spiny lobsters, sheephead fish and abalone kept down the urchin numbers. At present in Alaska, the kelp beds are declining again in areas where killer whales are preying on sea otters. Biologists think the killer whales switched to otters for food because there are fewer seals and sea lions to eat.

# 1nr

**Turns case: US-China competition allows China to create an anti-American alliance – isolates US economy and cuts off oil supplies – collapses Pemex.**

**Fergusson 12** (Robbie, e-International Relations, 7/23/12, “The Chinese Challenge to the Monroe Doctrine,” http://www.e-ir.info/2012/07/23/does-chinese-growth-in-latin-america-threaten-american-interests/)//DR. H

This is a recurring theme for some analysts, who portray Chinese involvement in Latin America as purely on an ‘arms for oil’ basis [106], but there remains significant worry about the perceived Sino-Venezuelan-Cuban axis, and how it will develop as China seeks to protect its investments. One potential justification would be the protection of overseas Chinese. Lafargue notes that “in Venezuela, several Chinese expatriates have recently been killed. Such actions could enable Beijing to justify a more assertive military presence.” [107] This military presence would be perceived as directly threatening to the United States, not least because combined with the PRC’s “human and commercial infrastructure in Latin America… [China] would be well placed to disrupt and distract the United States in the hemisphere and to collect intelligence data against U.S forces operating in the region” [108] in the event of any possible U.S military conflict with China.

Espionage is not the only U.S. strategic worry, many analysts fret that a Chinese led anti American alliance could “potentially isolate and undermine the U.S economy… and seek to engage in a form of asymmetric warfare against the United States by cutting off vital oil supplies,” [109] further evidence of why the U.S. is so concerned by forward Chinese progress in securing Latin American resources. Nor is the fact China’s armed forces will not attain serious power projection capabilities any time soon a comfort to the U.S. We go back to the ‘China threat’ idea of potential capability rather than intentions. Denny Roy surmises that “the point is not what China can deploy now, but in a decade or two, with a much advanced economic and technological base.” [110] Still, there are issues even in 2008 that the United States considers worrying.

#### Sino-American Relations are on the brink, infringements on SOI push it over.

Rudd 13 (Kevin, Australian politician who has been the Prime Minister of Australia and the Leader of the Labor Party since 27 June 2013. He was previously Prime Minister from 2007 to 2010, and Labor Leader from 2006 to 2010. He is the first former Prime Minister to return to the office since Robert Menzies in 1949, and only the second Labor Prime Minister to do so, “A subtle defrosting in China’s chilly war with America”, THE FINANCIAL TIMES LTD 2013, June 10, 2013, <http://www.ft.com/intl/cms/s/0/594776d2-d1ba-11e2-9336-00144feab7de.html#axzz2ZJU1aaCD>)

In Beijing analysts still struggle to define the precise state of the China-US relationship. As one said to me recently: “Bu shi rezhan, bu shi lengzhan; er shi liangzhan.” Or, in the Queen’s English: “It’s not a hot war, it’s not a cold war; it’s more like a chilly war.” The problem for leaders, diplomats and analysts is that the relationship defies simple definition. Variants range from “strategic engagement”, “strategic co-operation” and “strategic competition” to “China as a responsible global stakeholder.” The problem with these ideas is that they mean very little to the Chinese. The phrase that hits home in both capitals these days is “strategic trust deficit” – a gap between China and the US which, if left unchecked, could destabilise the entire Asia-Pacific region. Such a deficit is potentially disastrous for both parties. We see it in the world of cyber espionage and cyber warfare; in escalating tensions in the East and South China Seas, where hundreds of naval and air assets are deployed; in escalating tensions on the Korean peninsula; and in the UN Security Council stalemate over Syria. That is why the working summit between presidents Barack Obama of the US and Xi Jinping of China at the weekend was so important. There had been no high-level political mechanism for the two sides to manage these and other apparently intractable challenges facing the regional and global order. With this summit, with more to follow, we at last have the capacity to build such a mechanism. The fact is, unless the Chinese president himself (simultaneously chairman of the Central Military Commission and general secretary of the Communist party) engages personally in negotiations with his US counterpart, China’s political system is geared to the defence of the status quo. In the US, the secretaries both of state and defence are able to make some strategic calls in negotiations. But their Chinese counterparts are not even among the 250 most senior officials in the party hierarchy. Only the president, in consultation with the other six members of the Politburo Standing Committee, can make the genuinely big calls. Despite opposition in both capitals, both presidents decided to depart from the diplomatic conventions that have governed relations for the past 40 years and convened a working summit, free of the pomp normally associated with state visits. This is a success in its own right. More importantly, both camps are privately delighted by the tone, depth and content of this first engagement, with neither expecting a laundry list of deliverables. Nobody present saw this as the “cyber summit” described in the US media. So, what are the outcomes? First, the agreement to establish a regular military-to-military dialogue is critical. It could contribute to rules of the road on cyber security; crisis management for the Korean peninsula; the management of incidents at sea and in the air as well as creating a mechanism to develop basic confidence and security-building measures for the region. Second, the summit represented the first systematic engagement and calibration between the two nations on the future of North Korea, including their reported public commitment to prevent Pyongyang acquiring nuclear weapons. Third, there was agreement on climate change, perhaps reflecting the start of a commitment to make the global rules-based order more effective. No one should expect Chinese policy to change quickly. Much could go wrong. But, without a programme of working bilateral summitry, there is little prospect of getting much of strategic importance right. After 20 years of drift in the relationship – following the elimination of the Soviet threat, which for the previous 20 years provided the underlying rationale for co-operation – this meeting could mark the start of a new period of detente. We were headed towards strategic competition – or worse. We may now have the capacity to build sufficient trust in the relationship, creating a framework to manage the growing complexity of bilateral, regional and global challenges the nations face. It could even lead to what Mr Xi himself described as “a new model of great power relations” for the future, one that does not mindlessly replicate the bloody history of the rise and fall of great powers in centuries past.

#### US China relations are key to solve extinction – conflict, economic collapse, and multiple trans-national threats become inevitable without cooperation

Cohen 9 (William S. Cohen is chairman and CEO of The Cohen Group, a strategic business consulting firm based in Washington, D.C. Secretary Cohen served as U.S. secretary of defense, Maurice R. Greenberg is chairman and CEO of C.V. Starr & Co., Inc. Mr. Greenberg retired four years ago as chairman and CEO of American International Group (AIG) after more than 40 years of leadership, creating the largest insurance company in history, “Smart Power in U.S.-China Relations,” http://csis.org/files/media/csis/pubs/090309\_mcgiffert\_uschinasmartpower\_web.pdf)

The evolution of Sino-U.S. relations over the next months, years, and decades has the potential to have a greater impact on global security and prosperity than any other bilateral or multilateral arrangement. In this sense, many analysts consider the US.-China diplomatic relationship to be the most influential in the world. Without question, strong and stable U.S. alliances provide the foundation for the protection and promotion of U.S. and global interests. Yet within that broad framework, the trajectory of U.S.-China relations will determine the success, or failure, of efforts to address the toughest global challenges: global financial stability, energy security and climate change, nonproliferation, and terrorism, among other pressing issues. Shepherding that trajectory in the most constructive direction possible must therefore be a priority for Washington and Beijing. Virtually no major global challenge can be met without U.S.-China cooperation. The uncertainty of that future trajectory and the "strategic mistrust" between leaders in Washington and Beijing necessarily concerns many experts and policymakers in both countries. Although some U.S. analysts see China as a strategic competitor—deliberately vying with the United States for energy resources, military superiority, and international political influence alike— analysis by the Center for Strategic and International Studies (CSIS) has generally found that China uses its soft power to pursue its own, largely economic, international agenda primarily to achieve its domestic objectives of economic growth and social stability.1 Although Beijing certainly has an eye on Washington, not all of its actions are undertaken as a counterpoint to the United States. In addition, CSIS research suggests that growing Chinese soft power in developing countries may have influenced recent U.S. decisions to engage more actively and reinvest in soft-power tools that have atrophied during the past decade. To the extent that there exists a competition between the United States and China, therefore, it may be mobilizing both countries to strengthen their ability to solve global problems. To be sure, U.S. and Chinese policy decisions toward the respective other power will be determined in large part by the choices that leaders make about their own nations interests at home and overseas, which in turn are shaped by their respective domestic contexts. Both parties must recognize—and accept—that the other will pursue a foreign policy approach that is in its own national interest. Yet, in a globalized world, challenges are increasingly transnational, and so too must be their solutions. As demonstrated by the rapid spread of SARS from China in 2003, pandemic flu can be spread rapidly through air and via international travel. Dust particulates from Asia settle in Lake Tahoe. An economic downturn in one country can and does trigger an economic slowdown in another. These challenges can no longer be addressed by either containment or isolation. What constitutes the national interest today necessarily encompasses a broader and more complex set of considerations than it did in the past As a general principle, the United States seeks to promote its national interest while it simultaneously pursues what the CSIS Commission on Smart Power called in its November 2007 report the "global good."3 This approach is not always practical or achievable, of course. But neither is it pure benevolence. Instead, a strategic pursuit of the global good accrues concrete benefits for the United States (and others) in the form of building confidence, legitimacy, and political influence in key countries and regions around the world in ways that enable the United States to better confront global and transnational challenges. In short, the global good comprises those things that all people and governments want but have traditionally not been able to attain in the absence of U.S. leadership. Despite historical, cultural, and political differences between the United States and China, Beijing's newfound ability, owing to its recent economic successes, to contribute to the global good is a matter for common ground between the two countries. Today there is increasing recognition that no major global challenge can be addressed effectively, much less resolved, without the active engagement of—and cooperation between—the United States and China. The United States and China—the worlds first- and third-largest economies—are inextricably linked, a fact made ever more evident in the midst of the current global financial crisis. Weak demand in both the United States and China, previously the twin engines of global growth, has contributed to the global economic downturn and threatens to ignite simmering trade tensions between the two countries. Nowhere is the interconnectedness of the United States and China more clear than in international finance. China has $2 trillion worth of largely U.S. dollar-denominated foreign exchange reserves and is the world's largest holder—by far—of U.S. government debt. Former treasury secretary Henry M. Paulson and others have suggested that the structural imbalances created by this dynamic fueled the current economic crisis. Yet. China will almost certainly be called on to purchase the lion's share of new U.S. debt instruments issued in connection with the U.S. stimulus and recovery package. Secretary of State Hillary Rodham Clinton's February 23.2009, reassurance to Beijing that U.S. markets remain safe and her call for continued Chinese investment in the U.S. bond market as a means to help both countries, and the world, emerge from global recession underscored the shared interest—and central role—that both countries have in turning around the global economy quickly. Although China's considerable holdings of U.S. debt have been seen as a troubling problem, they are now being perceived as a necessary part of a global solution. Similarly, as the worlds two largest emitters of greenhouse gases, China and the United States share not only the collateral damage of energy-inefficient economic growth, but a primary responsibility to shape any ultimate global solutions to climate change. To date, cooperation has been elusive, owing as much to Washington's reluctance as to Beijing's intransigence. Painting China as the environmental bogeyman as an excuse for foot-dragging in policymaking is no longer an option; for its part, China, as the world's top polluter, must cease playing the developing-economy card. Yet energy security and climate change remain an area of genuine opportunity for joint achievement. Indeed, U.S.-China cooperation in this field is a sine qua non of any response to the energy and climate challenges. The sheer size of the Chinese economy means that collaboration with the United States could set the de facto global standards for etficiency and emissions in key economic sectors such as industry and transportation. Climate change also provides an area for cooperation in previously uncharted policy waters, as in emerging Arctic navigational and energy exploration opportunities. Washington and Beijing also share a deep and urgent interest in international peace and stability. The resumption of U.S.-China military contacts is a positive development. As two nuclear powers with worldwide economic and strategic interests, both countries want to minimize instability and enhance maritime security, as seen by parallel antipiracy missions in the waters otT Somalia. Joint efforts in support of United Nations peacekeeping, nonproliferation, and counterterrorism offer critical areas for bilateral and multilateral cooperation. Certainly, regional and global security institutions such as the Six-Party Talks concerning North Korea or the UN Security Council require the active engagement of both Washington and Beijing. Even more broadly, crisis management in geographic regions of mutual strategic interest like the Korean peninsula, Iran, or Burma require much more Sino-U.S. communication if the two countries are to avoid miscalculation and maximize opportunities to minimize human sutfering. Increasing the number of mid-level military-to-military exchanges would help in this regard. The United States and China could do more to cooperate on law enforcement to combat drug trafficking and organized crime in Western China. Afghanistan is competing with Burma as the main provider of narcotics to China; Washington could use its influence with the International Security Assistance Force in Kabul to develop a joint antinarcotics program. This could potentially build networks and joint capabilities that might be useful for U.S.-China cooperation on the issue of Pakistan. In addition, Washington should also encourage NATO-China cooperation along the Afghan border. Collaborating under the auspices of the Shanghai Cooperation Organization (SCO) might provide an additional framework for Beijing and Washington to address Central Asian security issues in a cooperative manner. 1he SCO, which includes Pakistan as an observer and will convene a multinational conference on Afghanistan in March 2009, has long made curbing narcoterrorism in Afghanistan a priority. In addition, the VS. Drug Enforcement Agency and the Chinese Anti-Narcotics Bureau should expand cooperation on interdiction and prosecution of heroin and meth traffickers. To be sure, there are a number of areas of serious divergence between Washington and Beijing. This should surprise no one. The United States has disagreements with even its allies. Two large powers with vastly dilferent histories, cultures, and political systems are bound to have challenges. History has shown, however, that the most effective way of addressing issues is for the U.S. and Chinese governments to engage in quiet diplomacy rather than public recrimination. In the U.S.-China context, there is often little to be gained—and much to be lost in terms of trust and respect—by a polarizing debate. Any differences, moreover, must not necessarily impede Sino-U.S. cooperation when both sides share strong mutual interests. I;. Scott Fitzgerald wrote that "the test of a first-rate intelligence is the ability to hold two opposed ideas in the mind at the same time, and still retain the ability to function."3 Effective policy toward China by the United States, and vice versa, will require this kind of dual-minded intelligence. Moreover, working together on areas of mutual and global interest will help promote strategic trust between China and the United States, facilitating possible cooperation in other areas. Even limited cooperation on specific areas will help construct additional mechanisms for bilateral communication on issues of irreconcilable disagreement. In fact, many of the toughest challenges in U.S.-China relations in recent years have been the result of unforeseen events, such as the accidental bombing of the Chinese embassy in Belgrade in May 1999 and the EP-3 reconnaissance plane collision in April 2001. Building trust and finding workable solutions to tough problems is the premise behind the Obama administrations foreign policy of smart power, as articulated by Secretary of State Clinton. Smart power is based on, as Secretary Clinton outlined in her confirmation hearing, the fundamental belief that 'We must use... the full range of tools at our disposal—diplomatic, economic, military, political and cultural—picking the right tool, or combination of tools, for each situation."' As the CS1S Commission on Smart Power noted in November 2007, "Smart Power is neither hard nor soft—it is the skillful combination of bothIt is an approach that underscores the necessity of a strong military, but also invests heavily in alliances, partnerships and institutions at all levels... .°5 As such, smart power necessarily mandates a major investment in a U.S.-China partnership on key issues. 'The concept enjoys broad support among the Chinese and American people and, by promoting the global good, it reaps concrete results around the world. There should be no expectation that Washington and Beijing will or should agree on all, or even most, questions. But the American and Chinese people should expect their leaders to come together on those vital issues that require their cooperation. U.S.-China partnership, though not inevitable, is indispensable.

#### Nye is wrong – china’s economic soft power is working in the nations it needs to work in

Dynon 13

Nicholas a Macquarie University Doctor of Philosophy (PhD), International Communication and is coordinator of the Line 21 project Academic and former diplomat with a research focus on country and regime branding and contemporary propaganda media. “Success of China's soft power campaign can't be gauged by rich countries” Global Times 7-7-2013 <http://www.globaltimes.cn/content/794405.shtml#.Uelff43VCSo> SCTM

US political scientist Joseph Nye claims that the leaders of China and Russia just don't get his concept of "soft power." ¶ In an article published in Foreign Policy in April, he reminds us that soft power springs from individuals, the private sector and civil society. China and Russia, Professor Nye points out, "make the mistake of thinking that government is the main instrument of soft power."¶ Clearly there is dissonance between Nye's soft power and the strategies followed by Beijing and Moscow in their respective pursuits of it. But are they all talking about the same "soft power?"¶ Hong Kong University's David Bandurski, charting the appearance of the term "soft power" in Chinese print publications from 1998 to 2008, has identified massive growth in the importance of the concept. ¶ Usage of "soft power" in Chinese newspapers grew from a negligible number of appearances in 2003 to around 7,500 in 2008. ¶ A closer look suggests that China's increasing interest in soft power has less to do with Nye than it does with an ongoing focus on the unprecedented growth of its own national power and the need to measure it, assess it and control its implications.¶ Usage of the term "comprehensive national power" (CNP) first appeared in the mid-1980s, when it was suggested by some Chinese scholars considering various national power equations as methods for analyzing the international balance of power. ¶ Huang Shuofeng of China's Academy of Military Science, a founder of the CNP concept, writes that the CNP "refers to the combination of all the powers possessed by a country for the survival and development of a sovereign state, including material and ideational ethos, and international influence as well." ¶ As Deng Xiaoping once stated, "in measuring a country's national power, one must look at it comprehensively and from all sides."¶ As part of the CNP equation, the soft power concept, rendered in Chinese as ruanshili, has evolved in Chinese discourse into a range of concepts quite distinct from that envisaged by Joseph Nye. ¶ As Nye has pointed out, polls show that opinions of China's influence are positive in Africa and Latin America, but not so much in the developed world. ¶ China's approach to soft power doesn't resonate as much with the rich nations of the world as it does with much of the developing world where Beijing's traditional non-alignment and aid work has had positive reputational results.¶ Similarly, as the same international polls indicate, China's reputation at home far exceeds its reputation within the developed world. ¶ An emergent China is unsurprisingly perceived far more positively by its own population relative to how it is perceived by publics in Europe, North America and developed East Asia. ¶ Beijing's idea of soft power appears to be working relatively well across large tracts of the developing world for whom its emerging success shines as a relevant alternative to Western models. ¶ Beijing's "internal" soft power also appears to be doing nicely in articulating China's national power ascendancy to its own increasingly globalized population. ¶ And while many Western policymakers and media commentators pen a pervasive narrative of concern in relation to China's rise, how much of the rest of the world is actually listening?¶ Does Nye's comment that China doesn't quite get his version of soft power really matter? Probably not. They have their own.

1. **Evidence bias: their card is written by a staffwriter from a primary Chinese newspaper – they have an incentive to downplay the risk of Chinese regional influence.**
2. **Prefer Fergusson: the 1nc link evidence cites empirical trends and comes from an expert in international relations.**

**It’s a zero-sum between the U.S. and China – resources, purchasing power and geographic proximity**

**Valencia 6/24** (Robert, Contributing Writer at Global Voices Online and the World Policy Institute, 6/24/13, “US and China: The Fight for Latin America,” http://www.worldpolicy.org/blog/2013/06/24/us-and-china-fight-latin-america)//DR. H

During the first weekend of June, U.S. President Barack Obama and Chinese President Xi Jinping met in California to discuss cyber espionage and territorial claims in the Pacific Rim. While tension on these topics has hogged the headlines, the fight for influence in another area could be even more important—Latin America. Other emerging markets in Africa, where China has an overwhelming influence due to foreign direct investment in mining and oil, also offer economic opportunities, but Latin America has an abundance of natural resources, greater purchasing power, and geographic proximity to the United States, which has long considered Latin America as its “backyard.”

The key question now is will Latin American countries lean more toward China or the United States, or will it find a way to balance the two against each other? Right now, Latin American countries are increasingly confident thanks to burgeoning economic and political integration by way of trading blocs, and they're demanding to be treated as an equal player.

As a sign of its growing importance, China and the United States have courted Latin America more than usual. In May, President Barack Obama visited Mexico and Costa Rica while Vice President Joe Biden visited Colombia, Brazil, and Trinidad and Tobago. Shortly after these trips, President Xi went to Mexico and Costa Rica to foster economic cooperation.

China’s active involvement in Latin American geopolitics can be traced back to 2009. Chinalco, China’s largest mining company, signed a $2.2 billion deal with Peru to build the Toromocho mine and a $70 million wharf in the Callao port. Since then, Peru has sent 18.3 percent of its exports to China, making China Peru’s largest trading partner. China’s imports to Peru, however, rank second with 13.7 percent of the market while the United States holds first place with 24.5 percent.

China has the upper hand with the Latin American leftist countries in terms of infrastructure and technology. In 2009, Chinese telephone manufacturer ZTE played an instrumental role in assembling the first mobile phone in Venezuela known as “El Vergatario” (Venezuela slang for optimal). Former President Hugo Chávez introduced this new phone to low-income families making it the world’s cheapest phone ($6.99 for a handset). Additionally, China landed rail construction projects in Argentina and Venezuela and has become a major buyer of farm products and metal in South America. Between 2011 and 2012, China purchased nearly 58.02 million tons of soy from Argentina, up from 52 million in 2011 and 2010.

**U.S. neglect and China’s low cost-less politicized appeal creates a zero sum relationship**

**Fergusson 12** (Robbie, e-International Relations, 7/23/12, “The Chinese Challenge to the Monroe Doctrine,” http://www.e-ir.info/2012/07/23/does-chinese-growth-in-latin-america-threaten-american-interests/)//DR. H

The Chinese economic threat to the U.S in the region

The U.S is still the most important economic partner for Latin America, but recently many in the region have felt neglected by Washington, whose focus on terrorism and the middle east and ‘rigid U.S. foreign policy toward Latin America has left regional leaders with no option but to look for other patrons. Net foreign direct investment in Latin America has fallen from $78 billion in 2000 to $36 billion in 2003.” [71] This economic neglect is exacerbating the political grievances of the likes of Hugo Chavez, but the more moderate social democratic governments of Argentina, Brazil, and Chile, recently extended the designation of Market Economy Status (MES) to China, something the U.S and the E.U have still denied. MES “substantially diminishes the effect of anti-dumping legislation under World Trade Organization rules. Given the preponderance of non-market factors in the P.R.C.’s economy… there can be little doubt that the three countries made their decision almost exclusively on the basis of China’s growing political and economic influence.” [72] This highlights the politico-economic independence of the U.S that Latin America is exerting.

This is also symptomatic of a deep paradox in the American thinking about how to deal with China. On one hand, tying the nominally communist state to the world economy is expected to bring about economic maturity and gradual political change, but on the other, China is still a U.S rival whose influence China is competing against. The situation is reciprocal, as China views the U.S as “[using] its economic leverage to exert political pressure on China, which is one reason that China seeks to diversify its economic relationships.” [73] In this respect, the U.S has what it wants – China is intrinsically tied to the ideals of the open market – as a lower cost, less politicized alternative to the United States.

#### Chinese pursuit for oil takes from US production – denying China risks anti-US cooperation

Pierson 9 (David Pierson is a reporter for the LATimes. He is based in Beijing and covers the Chinese economy. “China's push for oil in Gulf of Mexico puts U.S. in awkward spot”, LATimes, October 22, 2009, http://articles.latimes.com/2009/oct/22/business/fi-china-oil22

A Chinese company's gambit to drill for oil in U.S. territory demonstrates China's determination to lock up the raw materials it needs to sustain its rapid growth, wherever those resources lie. The state-owned China National Offshore Oil Corp., or CNOOC, reportedly is negotiating the purchase of leases owned by the Norwegian StatoilHydro in U.S. waters in the Gulf of Mexico, the source of about a quarter of U.S. crude oil production. China's push to enter U.S. turf comes four years after CNOOC's $18.5-billion bid to buy Unocal Corp. was scuttled by Congress on national security grounds. The El Segundo oil firm eventually merged with Chevron Corp. of San Ramon. Whether CNOOC's second attempt to lock up U.S. petroleum assets will trigger a similar political backlash remains to be seen. The sour U.S. economy and the need for Washington and Beijing to cooperate on potentially larger issues could mute any outcry. The U.S. could also find it difficult to rebuff China when it has long welcomed other foreign investment in the gulf. In addition to StatoilHydro, foreign oil companies with stakes in deep-water projects there include Spain's Repsol, France's Total, Brazil's Petrobras, British oil giant BP and the Dutch-British multinational Shell. The U.S. risks undercutting its foreign policy goals as well. Concern is growing over China's aggressive investment in oil-rich nations with anti-U.S. regimes, including Iran and Sudan. Denying China a shot at drilling in U.S. waters would only encourage Beijing to make deals in volatile regions given that new oil reserves in stable, democratic nations are getting harder to find. "China doesn't have a lot of alternatives," said Ben Simpfendorfer, chief China economist for Royal Bank of Scotland. "They're very late to the game."

#### China views Pemex as way to increase relations – lowers trade gap

Johnson 13 (Tim Johnson, the Mexico bureau chief for McClatchy Newspapers. “China’s Xi splashes cash, deals on leisurely trip to woo Mexico”, McClatchy News Service, June 5, 2013, http://www.mcclatchydc.com/2013/06/05/193101/chinas-xi-splashes-cash-deals.html#.Uehqko1OSSo)

China’s leader is a guest who brings lots of gifts and lingers. President Xi Jinping, on the second day of an unhurried three-day visit to Mexico, spoke to the nation’s Senate Wednesday afternoon, then left for City Hall and prepared to visit the nation’s most renowned Mayan pyramid before heading on to California later in the week. Throughout his activities, Xi emphasized that China is upgrading its relations with Latin America, and Mexico in particular. Xi opened his nation’s wallet to prove it, splashing out $1 billion in credit to Petroleos Mexicanos, the state oil giant, and pledging $1 billion in trade deals. He also vowed to strengthen cultural and educational ties, offering 300 scholarships for Mexican students to study in China and announcing the opening of China’s first cultural center in Latin America. Other accords promised cooperation in renewable energy, disease control and promotion of tourism. Xi’s presence marked the first official state visit of President Enrique Pena Nieto’s six-month-old government, which hailed it as giving “new impetus” to ties between the two nations after passing through a cool phase. Appearing before lawmakers, the 59-year-old Xi highlighted that he and Pena Nieto had upgraded ties to what he called a “comprehensive strategic partnership.” “By doing this, we send a strong message to the international community that China and Mexico will form a common front to face various challenges in the future,” Xi said. “The relationship between China and the region is now at an important stage of accelerated development,” Xi said. Xi did not spell out what commercial deals were in the offing, but the announcement appeared intended to lessen frictions over a wide trade deficit. Local news accounts said Chinese firms are interested in building ports, highways and pipelines. Mexico is China’s second-largest trade partner in Latin America. But even as total trade has risen sixfold, to more than $36 billion in 2012, a trade gap is yawning. For every $9 in goods that China sells to Mexico, Mexico only sells $1 in goods back. China said it had agreed to permit imports of Mexican pork and tequila, and to “a bigger presence of Mexican products in China.” “China is not looking for a trade surplus,” Xi told lawmakers. “On the contrary…it is ready to actively increase the import of Mexican products.” China also sees crude oil purchases from Mexico as a way to ameliorate the trade gap. Mexico agreed in April to provide China with 30,000 barrels a day of crude oil. Both Xi and Pena Nieto offered effusive words at a joint appearance, followed by a banquet Tuesday evening. The Mexican leader described Mexico and China as “two countries on the rise” that are “strategic allies,” while Xi noted that both are descended from “millenary civilizations.” Banners of China’s red flag with five gold stars festooned poles along the capital’s main boulevard, Paseo de la Reforma. The visit marked a warming of relations that were chilled under two previous Mexican presidents, both of whom met with the Dalai Lama, spiritual leader of the Tibetan minority in China, who Beijing brands as an incorrigible separatist. In a 33-point joint statement released Tuesday night, Mexico pledged not to interfere in China’s affairs regarding its “inalienable” region of Tibet and its claims on Taiwan, the independently governed island off its shores. On the sprawling Tibetan Plateau, 118 ethnic Tibetans, many of them monks or nuns, have set themselves on fire since 2009 to protest Chinese rule. Xi’s visit to Mexico drew wide coverage in media on the Chinese mainland, and is likely to boost tourism interest in Mexico, especially after Xi and his wife, Peng Liyuan, a renowned singer, tour the Mayan pyramids at Chichen Itza on the Yucatan Peninsula on Thursday. Growing numbers of Chinese are traveling outside the mainland, but of the 93 million who did so last year, only 47,810 came to Mexico. The joint statement said the two countries would work to promote reciprocal tourism and develop direct airline connections, both for passengers and freight, by a Chinese airline. Xi pledged to lawmakers that “there will be more Chinese tourists at the temples of the moon and sun” at the pre-Aztec Teotihuacan ruins near the capital, and more “at Chichen Itza and on the beaches of Acapulco.” Xi’s visit came amid a growing courtship of Latin America by the United States and China, the world’s No. 1 and 2 economies, respectively, as both nations seek to boost trade with a region that the United Nations says has lifted 58 million people from poverty in the past decade. President Barack Obama visited Mexico and Costa Rica last month, and Vice President Joe Biden just returned from Colombia, Trinidad and Brazil. In a column printed in the Wall Street Journal Wednesday, Biden wrote “the Obama administration has launched the most sustained period of U.S. engagement with the Americas in a long, long time.”

**China’s Sphere of Influence over Mexico high now – 4 reasons**

**Zeal 6/5** (New, a reporter’s actual name, June 5, 2013, “The Encirclement Gathers Pace: China Enters Into a “Strategic Partnership” With Mexico,” http://beforeitsnews.com/opinion-conservative/2013/06/the-encirclement-gathers-pace-china-enters-into-a-strategic-partnership-with-mexico-2657822.html)//DR.H

Chinese President Xi Jinping and his Mexican counterpart Enrique Pena Nieto Tuesday announced to upgrade the bilateral relationship to a comprehensive strategic partnership.

The Chinese president arrived in Mexico City earlier in the day for a three-day state visit aimed at lifting the China-Mexico strategic partnership to a higher level, and held talks with Pena Nieto on bilateral cooperation.

During the talks, the two presidents agreed that strengthening the China-Mexico long-term friendly cooperation serves the fundamental interests of the two countries and two peoples, and helps promote unity and cooperation among developing countries.

Xi said the decision to upgrade the bilateral relationship is a realistic requirement, and it also sets a clear target for the development of bilateral relations.

Pena Nieto, for his part, said the upgrade of the Mexico-China ties indicates that bilateral cooperation has entered a new stage.

The Mexican side is ready to work with China to constantly improve cooperation at higher levels and through more effective mechanisms so as to achieve common development, he said.

The two heads of state agreed to push forward the China-Mexico comprehensive strategic partnership by working jointly in the following four aspects.

Firstly, the two sides will view their relations from a strategic and long-term perspective and improve political mutual trust. The two countries will accommodate each other’s concerns, and show mutual understanding and support on issues concerning each other’s core interests.

China and Mexico will maintain exchanges between high-level leaders, political parties and legislatures, give full play to the existing consultation and dialogue mechanisms, and improve coordination on each other’s development strategies.

Secondly, the two sides will improve practical cooperation in accordance with their development strategies, and agree to increase mutual investment in key areas such as energy, mining, infrastructure and high technology.

In order to promote trade balance, China supports the increase of imports from Mexico, while Mexico welcomes Chinese enterprises to invest here and promises to create favorable conditions for Chinese investors.

Thirdly, as two major countries with rich cultural traditions, China and Mexico will improve cultural exchanges. Both countries will encourage more exchanges between art troupes, promote tourism and strengthen communication among students, academics, journalists and athletes.

China will build a Chinese cultural center in Mexico City, the first in Latin America and the Caribbean, and Mexico will establish a Mexican cultural center in Beijing as well.

Fourthly, China and Mexico will improve multilateral coordination based on their common interests and responsibilities on major international issues.

The two countries will maintain close communication and coordination on global economic governance, energy security, food safety and climate change.

They will help developing countries gain a bigger voice in the international community, and safeguard the common interests of the two countries and the developing nations.

China and Mexico support the establishment of the China-Latin America forum and promote the overall cooperation between China and Latin America at a higher level.

After their talks, Xi and Pena Nieto signed a joint statement between the two countries, witnessed the signing of a host of agreements and jointly met the press.

Pena Nieto said at the ceremony that China has become a major global economic engine and an important balancing power in international relations.

As two emerging powers, Mexico and China are each other’s important strategic cooperative partners, and the Mexican side is ready to forge closer ties with the Chinese side to achieve common development, the Mexican president said.

China is ready to work with Mexico to constantly enrich the content of bilateral strategic partnership, promote mutually beneficial cooperation and contribute to world peace, stability and prosperity, he said.

Xi said his visit to Mexico aims to deepen mutual trust, expand cooperation and enhance friendship. “I believe with our joint efforts,

China-Mexico relations will enter a new stage,” he said.

Latin America is rapidly becoming a Chinese sphere of influence. This latest development can only accelerate this unhealthy trend.

#### 1) Chinese economic engagement with Latin America is high now but can grow more – the plan changes that

**Fei, 13**(Xu, “Xi's Trip Opens New Horizon for Ties with Latin America”, CRJ English, June 7 2013, [http://english.cri.cn/6909/2013/06/07/195s769020.htm)](http://english.cri.cn/6909/2013/06/07/195s769020.htm%29/CB)//VP

China and Latin America have expanded pragmatic cooperation in recent years, delivering tangible benefits to both sides. With two-way trade reaching 261.2 billion U.S. dollars in 2012, China has become the second largest trading partner of Latin America and the Caribbean, which witnessed the world's fastest growth in exports to China. By investing nearly 65 billion dollars so far in Latin America and the Caribbean, China has helped create much-needed jobs in the region. However, both sides are fully aware that there is potential to be tapped. China's development offers great opportunities for Latin America. As the world's second biggest importer, China will buy goods worth over 1 trillion dollars over the next five years and its overseas investment will exceed half a trillion dollars. As Xi has mentioned in his speech at the Mexican Senate, China is confident in maintaining steady economic expansion, which would create more business opportunities for the world including Latin America and the Caribbean. Latin America needs Chinese investment and participation in infrastructure construction. The region's products such as farm produce and energy need the Chinese market.

#### 2) Chinese engagement is outpacing the US

**Goodman 5-29** (Joshua. Latin America Desk for Bloomberg BusinessWeek. “Biden Circles Xi as U.S. Duels China for Latin America Ties” 5/29/13 http://www.bloomberg.com/news/2013-05-29/biden-circles-xi-as-u-s-duels-china-for-latin-america-influence.html)

The competition between the world’s two biggest economies for influence in Latin America is on display this week as U.S. Vice President Joe Biden arrives in Rio de Janeiro today near the end of a three-nation tour of the region with Chinese President Xi Jinping close behind. The dueling visits -- Biden departs Brazil May 31, the same day Xi arrives in Trinidad & Tobago to begin his first tour of the region since China’s political transition ended in March -- underscore how Latin America’s natural resources and rising middle class are making it an increasingly attractive trade partner for the world’s top two economies. Competing with China’s checkbook isn’t easy for the U.S. Seeking South American soy, copper and iron ore, China boosted imports from Latin America 20-fold, to $86 billion in 2011 from $3.9 billion in 2000, according to calculations by the Inter-American Development Bank. By contrast, the U.S. policy of pursuing free-trade accords has been controversial, said Kevin Gallagher, a Boston University economist. “If I’m a Latin American leader, I’m very happy because I now have more chips to play with,” said Gallagher, author of the 2010 book “The Dragon in the Room,” about China’s inroads in the region. “**The onus is on the U.S.** to come up with a more flexible, attractive offer but that’s not so easy because it doesn’t have the deep pockets like it used to.”

#### 3) US policy shift from realism to idealism has led to decreased influence in Latin America

**Xiaoxia 5/6** analyst for Economic Observer (Wang, “IN AMERICA'S BACKYARD: CHINA'S RISING INFLUENCE IN LATIN AMERICA”, World Crunch, May 6th, 2013, http://www.worldcrunch.com/china-2.0/in-america-039-s-backyard-china-039-s-rising-influence-in-latin-america/foreign-policy-trade-economy-investments-energy/c9s11647/)//SQR

An American blind spot? In their book America's Blind Spot: Chavez, Oil, and U.S. Security, Andres Cala and Michael J. Economides avoid the usual patter of linking South America’s "China factor" with some sordid conspiracy theory. Instead, they investigate Latin America’s subtle choice between China and the United States, attributing Washington's weakened influence in the region to its failure in foreign policy and economic development -- while China rises on the back of globalization. Since 1823, when America put forward the Monroe Doctrine and declared its sphere of influence to Europeans, it has maintained the unique position of the United States in the Americas. Military intervention has always served as the most important tool for the United States. Especially after the start of the Cold War, in order to curb Communism from taking root in Latin America, the U.S. used military means largely without restraint. After the collapse of the Soviet Union, the United States faced new external challenges such as the threat of global terrorism. Latin America’s strategic significance has quickly slipped to a secondary and more local ranking. The United States has shifted its focus in Latin America to specific issues such as illegal immigration and drug smuggling. The “realism” that ran through America’s foreign policy during the Cold War has gradually transformed towards “idealism,” which in consequence weakens its influence in Latin America. Under the doctrine of realism, America broke any illusion of moral constraint in its foreign interventions; the protection of American interests was its pragmatic principle. Washington didn’t care that some Latin American countries were dictatorial or that they violated human rights, as long as their leaders firmly stood on the side of the anti-Communist camp. Since adopting idealism, America considers that whatever is best for itself is also best for the rest of the world. Its foreign policy is aimed at maintaining democracy, human rights and a free market economy around the world. America began to demand that its former dictatorial allies quit their attachment to power and carry out a transition to democracy. Since 1989, the U.S. has pushed Latin American countries -- many facing a severe debt crisis -- to accept the “Washington Consensus” oriented by market economy theory. The ultimate goal set by this theory may not be a problem. However, it did not pull Latin America out of the quagmire of its “lost decade” of the 1980s. In the 1990s, Latin America suffered another severe economic downturn, which exacerbated the division between the rich and the poor -- leading to serious social problems. The idealism exported by the United States intensified the existing contradictions in Latin American society, and eventually led to the downfall of most of the brutal totalitarian military governments.

#### **Their internal link says nothing of the sorts that Mexico will cause conflict but only that China will gain an edge – no war**

#### The US won’t get involved – their internal link proves it wouldn’t be unilat China action

**Richardson their author 13** - Michael is a visiting senior research fellow at the Institute of South East Asian Studies in Singapore, February 5, 2013, <http://www.japantimes.co.jp/opinion/2013/02/05/commentary/no-winners-in-a-conflict-over-the-senkaku-islands/#.UdsbTPlvOQg)//sawyer>

Whether, where, and under what circumstances, the U.S. would actually use them against China is still shrouded in strategic ambiguity. However, in one of her last major official meetings, on Jan. 18, before stepping down as U.S. Secretary of State, Hillary Clinton assured Japan’s visiting Foreign Minister Fumio Kishida that “although the United States does not take a position on the ultimate sovereignty of the (Senkaku) islands, we acknowledge they are under the administration of Japan and we oppose any unilateral actions that would seek to undermine Japanese administration.” She added that the U.S. urged “all parties to take steps to prevent incidents and manage disagreements through peaceful means.” The leaders of Japan and the U.S. are to hold a summit meeting in Washington later this month. Preventing a military conflict with China will be high on the agenda.