## **Plan**

#### The United States Federal Government should expand and make permanent the currency swap agreement with the Banco de Mexico

## **Contention One is Banking:**

#### **Expectations of Fed tapering are devastating the peso despite growth predictions- perception of the US is key**

Bain 1/22 Ben Bain is a reporter for Bloomberg Business news, “Mexico’s Peso Trades at Lowest Since September on Fed Outlook”, 1/22/2014, http://www.bloomberg.com/news/2014-01-22/mexico-s-peso-trades-at-lowest-since-september-on-fed-outlook.html

Mexico’s peso traded at a four-month low as mounting concern that the Federal

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Financiero Santander Mexico SAB, said in a telephone interview from Mexico City.

#### The Fed is unwilling to support emerging markets – the plan is key

Bloomberg News 8/26

“Federal Reserve won’t consider problems abroad” <http://www.bostonglobe.com/business/2013/08/25/fed-officials-reject-calls-for-coordination/bW6J24GiaTCqb8bJsAkleO/story.html>

LONDON — Federal Reserve officials have rebuffed international calls to take the threat of fallout

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proposed ‘‘further lines of defense,’’ such as currency swap lines.

#### Higher interest rates disrupt the bond market—Mexican intervention backfires and crushes Latin American liquidity

LF 7/2/13—staff writer citing multiple emerging market economists, “Prep for Extended Volatility, warn experts”, Latin Finance, 7/2/13, http://www.latinfinance.com/Article/3226264/Prep-for-extended-volatility-warn-experts.html?ArticleId=3226264)

Latin ﬁnancial markets must dig in for an extended period of volatility as policymakers grapple

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fall, trading at 12.96 pesos to the dollar on Tuesday.

#### Empirically American fiscal policy can cause currency crises in Mexico which spread internationally— the internal link is only a few clicks away

Johnson 9/5

Simon, former chief economist of the International Monetary Fund, Ronald A. Kurtz Professor of Entrepreneurship at the M.I.T. Sloan School of Management. NYTimes Economix Blog <http://economix.blogs.nytimes.com/2013/09/05/the-next-emerging-market-crisis/?hp&_r=0>

Most financial crises begin with one weak country and then spread as investors re-

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DataMapper for growth numbers and watch how it changes color as forecasts change.)

#### Global banks are on the brink—current devaluation makes growth unsustainable and the incoming crisis collapses systemically important banks

Griffin 6/11, Donald Griffin, reporter for Bloomberg News , “Citigroup Facing $7 Billion Hit on Dollar Gain, Peabody Says”, Bloomberg, 6/11/13, <http://www.businessweek.com/news/2013-06-11/citigroup-facing-7-billion-currency-hit-on-dollar-peabody-says#p3>)

Last June, Peabody said Citigroup’s currency losses could reach $3 billion to $

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unaware and is likely to prove to be more detrimental than currently anticipated.”

### Scenario 1 is Global Warming:

#### Warming is real, anthropogenic, and we are on the brink of drastic and irreversible warming. Healthy banking sector is critical to political will and financing tech to solve.

Reynolds 8/20

Owen, Economist at the Federal Energy Regulatory Commission, “In defense of the financial industry: stocking up to end climate change” http://news.mongabay.com/2013/0820-reynolds-finance-climate.html#2FI2cHs4THkqHBGv.99

On a cross-country bus trip through the American Midwest, I watch cool

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to ensure that she can, but the projects need to be financed.

#### Extinction

Deibel 07 [Terry L. Professor of IR @ National War College, 2007. “Foreign Affairs Strategy: Logic for American Statecraft”, Conclusion: American Foreign Affairs Strategy Today]

Finally, there is one major existential threat to American security (as well as

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States, but potentially to the continued existence of life on this planet.

#### Warming acts as a conflict multiplier and turns all the impacts

**Zinni, 7**- Sanford Distinguished Lecturer in Residence at Duke University, Nimitz Chair at the University of California-Berkeley, the Hofheimer Chair at the Joint Forces Staff College, the Harriman Professor of Government on the board of the Reves Center for International Studies at the College of William and Mary, Weissberg Chair in International Studies at Beloit College, former Commander in Chief of CENTCOM

(Anthony, “National Security and the Threat of Climate Change,” http://securityandclimate.cna.org/report/National%20Security%20and%20the%20Threat%20of%20Climate%20Change.pdf)

Climate change acts as a threat multiplier for instability in some of the most volatile

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foster political instability where societal demands exceed the capacity of governments to cope.

### Scenario 2 is the Economy:

**Global economic decline leads to miscalculation and crisis escalation**

**Harris and Burrows, ‘09** [Mathew, PhD European History at Cambridge, counselor in the National Intelligence Council (NIC) and Jennifer, member of the NIC’s Long Range Analysis Unit “Revisiting the Future: Geopolitical Effects of the Financial Crisis” <http://www.ciaonet.org/journals/twq/v32i2/f_0016178_13952.pdf>]

Increased Potential for Global Conflict Of course, the report encompasses more than economics and

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within and between states in a more dog-eat-dog world.

#### Alternatives to growth kill hundreds of millions and cause global conflict – we can’t “turn off” the economy

Barnhizer 6 [David Barnhizer – Professor of Law at Cleveland State University, Summer 2006, ‘Waking from Sustainability's "Impossible Dream”,’ Georgetown International Environmental Law Review, Lexis]

The scale of social needs, including the need for expanded productive activity, has

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social justice while avoiding and mitigating the most destructive consequences of our behavior.

### Scenario 3 is Financial Inclusion:

#### **Financial inclusion efforts like microfinance are being spearheaded by big banks now- absent banks these efforts won’t succeed**

Fioretti 12/9 Julia Foretti is a reporter for Reuters, “ Big banks see rich opportunities in world's poorest”, 12/9/13, http://www.reuters.com/article/2013/12/09/us-financial-inclusion-idUSBRE9B80IS20131209

(Reuters) - When the Afghan government used mobile phones instead of cash to

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Imoukhuede said.¶ "Once you have scale ... I think it's easy."

#### Financial Inclusion is key to solving social justice issues such as racism

**Khan ’08** Omar Khan (Omar is Runnymede Trust’s head of policy research and, among other projects, leads the [financial inclusion](http://www.runnymedetrust.org/projects-and-publications/projects/financial-inclusion.html) programme. Omar sits on the Department for Work and Pensions' Ethnic Minority Advisory Group. He is also a 2012 Clore Social Leadership Fellow.Omar's other advisory positions﻿ include chair of Olmec (a social enterprise), the 2011 Census, the Household Longitudinal Survey, the Electoral Reform Society, the Payments Council, and as the UK representative on the European Commission’s Socio-economic network of experts., “Financial Inclusion and Ethnicity”, 06/2008, http://www.runnymedetrust.org/uploads/publications/pdfs/FinancialInclusion-2008.pdf)

¶ This last point links the discussion on social justice to the ostensible topic of

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direct or¶ indirect discrimination, or indeed from different choices and experiences.

#### Racism is the root cause of genocidal violence and war

Martin, 1990 (Brian, associate professor in Science, Technology, and Society at the University of Wollongong, Uprooting War, http://www.uow.edu.au/arts/sts/bmartin/pubs/90uw/uw13.html)

Racism has been a major factor in many wars, and also has motivated a

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alternative hierarchies, but rather to reorganise social life in an egalitarian way.

#### Micro Finance has the tools to empower women within society, especially through a micro finance institute

Cheston and Kuhn(, Susan Cheston Senior Vice President, Policy and Research, Opportunity

International, and Executive Director Emeritus of the Women’s Opportunity Fund

Lisa Kuhn, Program Analyst, Opportunity International) 2002 (“Empowering women through micro finance”, research paper sponsored by UNIFEM, <http://storage.globalcitizen.net/data/topic/knowledge/uploads/201101311419705.pdf>)

Microfinance has the potential to have a powerful impact on women’s ¶ empowerment. Although

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ensure that women are more deeply and consistently empowered through their ¶ programs.

#### Empowerment is a prerequisite to solve other global issues

**Cheston and Kuhn 2**[Susy Cheston, Senior Vice President, Policy and Research, Opportunity , International, and Executive Director Emeritus of the Women’s Opportunity Fund. Lisa Kuhn, Program Analyst, Opportunity International Research sponsored by the Women’s Opportunity Fund and its funding partners: Elizabeth Foster and Michael Walsh, Gems of Hope USA, and the Morrow Charitable Trust. Publication sponsored by UNIFEM. “Empowering Women through Microfinance” http://storage.globalcitizen.net/data/topic/knowledge/uploads/201101311419705.pdf 7/8/2]//DLi

The influence of society over the range and exercise of choice also means that if

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, it has the potential to empower many more, even more greatly.

## Contention Two is Solvency:

#### Economic Engagement with Mexico now- DA’s are Non-UQ

Stras ’13 (Marcy Stras, JD Supra Law News Reporter, “The U.S. Mission in Mexico Increases Corporate Eligibility to Participate in its Business Facilitation Program”, <http://www.jdsupra.com/legalnews/the-us-mission-in-mexico-increases-cor-13097/>, January 15, 2013)

The United States Embassy in Mexico city announced the expansion of its Business Facilitation Program

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.S. Embassy’s or Consulates’ Consular Section. According to the announcement:

#### We Solve

-derivatives increase the risk of currency collapse

-swap lines solve mexico, empirics

-alternative is capital controls

Mehrotra et al 12 (Aaron, Economist in the monetary department of International Settlements, Bank for International Settlements, "BIS Papers No 67 Fiscal policy, public debt and monetary policy in emerging market economies" Monetary and Economic Department, October 2012, [www.bis.org/publ/bppdf/bispap67.pdf](http://www.bis.org/publ/bppdf/bispap67.pdf) NP)

Recent episodes of market volatility have highlighted two kinds of risks associated with more ¶

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on inflows, ¶ minimum holding periods and currency-specific reserve requirements).

#### Empirical Solvency —confidence, crisis management

Olson et al 09

(Eric, senior advisor to the Security Initiative of the Woodrow Wilson Center's Mexico Institute and has held senior positions at the Organization of American States, Amnesty International, and the Washington Office on Latin America, "The United States And Mexico: Towards a Strategic Partnership" A report of four working groups on U.S.-Mexico Relations, January 2009, [www.wilsoncenter.org/sites/default/files/The%20U.S.%20and%20Mexico.%20Towards%20a%20Strategic%20Partnership.pdf](http://www.wilsoncenter.org/sites/default/files/The%20U.S.%20and%20Mexico.%20Towards%20a%20Strategic%20Partnership.pdf) NP)

The interdependence of the two economies ¶ makes Mexico one of the most vulnerable ¶

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¶ authorities underscores the importance of timely and ¶ coordinated actions in crisis management

## **Contention Three is Framing:**

#### Economics describe the world --- Err aff --- Historical analysis proves any alternative dooms us to disastrous consequences.

Morriss, 2008 (Andrew, University of St. Thomas Law Journal, Volume 5, Issue 1 2008 Article 8, “The Necessity of Economics: The Preferential Option for the Poor, Markets, and Environmental Law,” <http://ir.stthomas.edu/cgi/viewcontent.cgi?article=1140&context=ustlj>)

Economics offers many insights into how the world around us works, much more than

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short, tradeoffs matter, and we need to pay attention to them.

#### We must REFRAME the focus of our academic pursuits to resolve warming. The value of other academic pursuits is MINISCULE in comparison.

**Bowers 08** – Professor of Environmental Studies @ University of Oregon[C. A. Bowers (Ph. D. from the University of California in educational studies with an emphasis on education and social thought),University Reform in an Era of Global Warming]

The widely held assumption that social progress and academic freedom are inextricably linked has led

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multiple political and ecological crises of our era. Pg. 49-51