Table of Contents

1nc – Integration Frontline 2

Ext Bloomberg – Resilience 4

Ext Lee & Wilson – Tourism 5

Ext Lee & Wilson – Border Patrol 7

1nc – Trans-Pacific Frontline 9

Ext China Turn 12

Ext WTO Turn 16

Ext Victor – No resource war 19

1nc - Trans-Atlantic Frontline 21

Ext Birnbaum – Spying 23

Ext Wagstaff – Ag 24

1nc – China Bashing Frontline 27

Ext Sink – Snowden 29

Extend Selko & Vinas – Nearshre now 31

1nc – ECPA Frontline 33

Ext Kinzer – Morales’ plane 35

Ext STRATFOR – Internal focus 36

Ext Sabatini – Too diverse 37

1nc – Solvency Frontline 39

# 1nc – Integration Frontline

#### US economy is resilient

**Bloomberg 12** [Joshua Zumbrun & Romy Varghe, “Fed’s Plosser Says U.S. Economy Proving Resilient to Shocks,”May 9, 2012 12:00 PM ET, pg. http://www.bloomberg.com/news/2012-05-09/fed-s-plosser-says-u-s-economy-proving-resilient-to-shocks.html

Philadelphia Federal Reserve Bank President [Charles Plosser](http://topics.bloomberg.com/charles-plosser/) said the [U.S. economy](http://topics.bloomberg.com/u.s.-economy/) has proven “remarkably resilient” to shocks that can damage growth, including surging [oil prices](http://topics.bloomberg.com/oil-prices/) and natural disasters.

“The economy has now grown for 11 consecutive quarters,” Plosser said today according to remarks prepared for a speech at the Philadelphia Fed. “Growth is not robust. But growth in the past year has continued despite significant risks and external and internal headwinds.”

Plosser, who did not discuss his economic outlook or the future for monetary policy, cited shocks to the economy last year, including the tsunami in [Japan](http://topics.bloomberg.com/japan/) that disrupted global supply chains, [Europe](http://topics.bloomberg.com/europe/)’s credit crisis that has damaged the continent’s banking system and political unrest in the [Middle East](http://topics.bloomberg.com/middle-east/) and North Africa.

“The U.S. economy has a history of being remarkably resilient,” said Plosser, who doesn’t have a vote on policy this year. “These shocks held GDP growth to less than 1 percent in the first half of 2011, and many analysts were concerned that the economy was heading toward a double dip. Yet, the economy proved resilient and growth picked up in the second half of the year.”

#### US-Mexico Tourism solves

**Lee & Wilson 12** - Associate Director @ North American Center for Transborder Studies (NACTS), Arizona State University & Associate @ Mexico Institute of the Woodrow Wilson International Center for Scholars [Erik Lee & Christopher E. Wilson, “The State of Trade, Competitiveness and Economic Well-being in the U.S.-Mexico Border Region,” Working Paper Series on the State of the U.S.-Mexico Border, June 2012

Tourism is another key economic driver for the region. Mexico is the number one foreign destination for U.S. tourists, and Mexican tourists comprise the second largest group of foreign visits to the United States each year (see Table 1 below). Statistics on Mexican tourist spending in the U.S. are incomplete because of the heavy usage of *U.S.* bank cards and cash by Mexican tourists, thereby making statistical analysis of this group of tourists particularly challenging. Yet even with this incomplete picture, Mexican tourist spending ranks fourth, according to U.S. Department of Commerce statistics from 2010.

The large majority (85%) of Mexican arrivals to the U.S. occur at the land ports of entry along our shared border. These tourists have a significant economic impact upon the communities they visit and the states that receive sales and other taxes they pay. To take one example, according to a study by the University of Arizona on Mexican visitors to Arizona, in 2007-08 Mexican visitors spent $2.69 billion in the state of Arizona, generating 23,400 direct jobs and 7,000 indirect jobs in the state.

It is the land ports of entry, then, that play the pivotal role in facilitating commercial exchange between the United States and Mexico. The health of both the national economies and the more local border-specific economies rests upon the relative health or weakness of these gateways. Pg. 8

#### They can’t solve for customs

**Lee & Wilson 12** - Associate Director @ North American Center for Transborder Studies (NACTS), Arizona State University & Associate @ Mexico Institute of the Woodrow Wilson International Center for Scholars [Erik Lee & Christopher E. Wilson, “The State of Trade, Competitiveness and Economic Well-being in the U.S.-Mexico Border Region,” Working Paper Series on the State of the U.S.-Mexico Border, June 2012

In much the same way as long and unpredictable wait times add costs to cross-border transactions, the significant documentation requirements faced by importers and exporters to take advantage of the tariff preferences granted by NAFTA actually can sometimes cut away at the very cost savings the agreement was meant to provide. Rules of origin stipulate that only products from the U.S., Canada or Mexico should get preferential treatment. Firms must therefore maintain detailed records regarding the source of their products, sometimes including their parts and materials. This paperwork burden can be particularly costly and act as a barrier to exporting for small and medium-sized businesses.

# Ext Bloomberg – Resilience

#### Current growth is resilient

**Champions for Change 13** [“U.S. Resilient in Economic Recovery,” June 17, 2013, pg. http://championsforchange.org/u-s-resilient-in-economic-recovery/

Since the downturn of the late 2000s, the U.S. economy has rebounded at a steady rate, garnering praise from numerous economists as well. In fact, Moody’s Analytics officials have described the nation’s ongoing economic growth as “resilient,” a positive sign for the country and its residents.

In “U.S. Macro Outlook: The Resilient Recovery,” a Moody’s Analytics report released in May 2013, researchers noted the U.S. gross domestic product could reach 2% in 2013. Meanwhile, job growth is expected to stay around 2 million during the year, about the same as it was in 2012 and 2011.

Various industries are benefiting from the rapidly improving economy, and Moody’s Analytics experts anticipate around 175,000 jobs will be added on a monthly basis throughout 2013. This rate, however, could plateau over the next few years.

“Fiscal headwinds will intensify in the summer and, assuming nothing goes badly awry and there are no additional major changes to near-term fiscal policy, the recovery will regain momentum going into 2014,” Moody’s Analytics chief economist Mark Zandi said. “Those headwinds will lessen by more than half and all but fade away by 2015.”

The slowdown in U.S. debt growth also is leading many financial experts to display optimism in their predictions about the country’s economy. Reuters reports that growth in U.S. states’ outstanding debt [fell to 1.3% in 2012](http://www.reuters.com/article/2013/05/30/municipals-states-idUSL2N0EB18P20130530), well below the 7% average annual growth of the past 10 years and the recent peak of 10% in 2009.

“Legal debt limitations, state-level austerity spending and anti-debt sentiment have reduced states’ appetite for new money borrowing,” economist Baye Larsen said. “Additionally, debt plans have been influenced by uncertainty regarding federal fiscal policy and the impact of federal budget austerity on the national economy.”

Future tax rates, government purchases and retiree benefits are surrounded in uncertainty, however, which has led Larsen and several other economists to alter their predictions about the national economy’s growth. Conversely, some of these experts see a wide variety of positives in the country’s real estate sector.

Zandi noted the housing market could play a pivotal role in the U.S. economy’s recovery as well. Freddie Mac’s Primary Mortgage Market Survey revealed that mortgage rates [rose between January 2013 and May 2013](http://www.freddiemac.com/pmms/), a trend that is likely to continue as the national economy rebounds.

“The housing market revival will also kick into high gear,” Zandi said. “Housing has traditionally powered the economy early in recoveries, but could not this time, since it was the principal cause of the recession.”

What was once a buyers’ market has shifted to favor sellers over the past few years. Zandi stated the availability of quality houses and favorable mortgage rates may lead more property buyers to enter the market sooner rather than later, which could help additional home sellers obtain offers at or near their initial asking prices.

High credit card bills, mortgages and other debt remain problematic for numerous Americans, but the housing market’s rebound is providing many people with plenty of reasons to be optimistic about the national economy.

“If everything sticks roughly to script, it will have taken the economy almost a decade to fully recover from the Great Recession,” Zandi said. “The process has been long and frustrating, but given the downturn’s magnitude, it has testified to the resilience of the U.S. economy.”

# Ext Lee & Wilson – Tourism

#### Tourism strong – at an all-time high

**Fischler 13** [Jacob Fischler, “Mexican trade — and tourists — are boon for U.S. businesses,” The Monitor, Posted: Tuesday, May 28, 2013 11:45 am, pg. http://www.themonitor.com/news/local/article\_3bf218a2-c734-11e2-b19a-001a4bcf6878.html

As the Congress debates immigration reform legislation, millions of tourists and billions of dollars continue to cross the U.S.-Mexico border in both directions.¶ A study released earlier this month by NDN, a center-left think-tank based in Washington, D.C., shows trade and tourism between the two countries is at an all-time high.¶ Trade between the two nations in 2012 was estimated at $535 billion. That number is up from $300 billion in 2009, a number that’s projected to double by this year, said Simon Rosenberg, the president of NDN.¶ Texas leads all states with almost $200 billion in imports and exports with Mexico.¶ Trade with Mexico sustains almost 6 million U.S. jobs, the NDN study said. In the Rio Grande Valley, tourists provide the biggest Mexican boost to the economy.¶ “We really rely heavily on the Mexican market,” said Nancy Millar, the director of the McAllen Chamber of Commerce’s Convention and Visitors Bureau.

#### Economic ties are deeper than ever

**Wilson 13** - Associate with the Mexico Institute @ the Woodrow Wilson International Center for Scholars [Christopher E. Wilson (Former Mexico Analyst for the U.S. Military and Researcher @ American University’s Center for North American Studies), “Trusted Traveler Programs Are a No Brainer – The Expert Take,” Wilson Center, May 01, 2013, pg. http://www.wilsoncenter.org/article/trusted-traveler-programs-are-no-brainer-%E2%80%93-the-expert-take

As President Obama heads to Mexico to meet with his counterpart, Enrique Peña Nieto, bilateral economic ties are deeper and more massive than ever. In fact, in 2012 the volume of bilateral trade grew to the point that our countries trade a million dollars in goods and services every minute.1 With almost 80 percent of all bilateral merchandise trade crossing the land border, making sure the border is both secure and efficient is more important than ever.

#### Squo solves their integration internal link. Most sectors integrated

**Blank 13** - Fulbright Research Chair in Governance and Public Administration @ University of Ottawa [Stephen Blank, “[North American Solutions](http://www.worldpolicy.org/blog/2013/06/17/north-american-solutions),” World Policy Council, June 17, 2013 - 4:20pm | Pg. http://www.worldpolicy.org/blog/2013/06/17/north-american-solutions

We share integrated energy markets, use the same roads and railroads to transport jointly-made products, fly on the same integrated airline networks, and increasingly meet the same standards of professional practice. This is the true North American “reality.” By the 1990s, key elements of North America’s economy could be visualized as deeply integrated continental supply chains linking production centers and distribution hubs across the continent. No one planned these developments. The most powerful drivers of change were “bottom-up” changes in corporate strategies and structures rather than “top-down” government plans or decisions.

#### Integration high now

**Lee & Wilson 12** - Associate Director @ North American Center for Transborder Studies (NACTS), Arizona State University & Associate @ Mexico Institute of the Woodrow Wilson International Center for Scholars [Erik Lee & Christopher E. Wilson, “The State of Trade, Competitiveness and Economic Well-being in the U.S.-Mexico Border Region,” Working Paper Series on the State of the U.S.-Mexico Border, June 2012

Commerce between the United States and Mexico is one of the great—yet underappreciated—success stories of the global economy. In fact, in 2011 U.S.-Mexico goods and services trade probably reached the major milestone of one-half trillion dollars with virtually no recognition.1 The United States is Mexico’s top trading partner, and Mexico—which has gained macroeconomic stability and expanded its middle class over the last two decades—is the United States’ second largest export market and third largest trading partner. Seventy percent of bilateral commerce crosses the border via trucks, meaning the border region is literally where “the rubber hits the road” for bilateral relations. This also means that not only California and Baja California, but also Michigan and Michoacán, all have a major stake in efficient and secure border management.

# Ext Lee & Wilson – Border Patrol

#### CBP security mandate prevent them from solving

**Lee & Wilson 12** - Associate Director @ North American Center for Transborder Studies (NACTS), Arizona State University & Associate @ Mexico Institute of the Woodrow Wilson International Center for Scholars [Erik Lee & Christopher E. Wilson, “The State of Trade, Competitiveness and Economic Well-being in the U.S.-Mexico Border Region,” Working Paper Series on the State of the U.S.-Mexico Border, June 2012

Border management changed significantly after 9/11, and CBP’s primary mission is to prevent terrorists and instruments of terror from entering the United States. This is obviously crucial to U.S. national security. Nonetheless, on a daily basis CBP must facilitate commercial traffic (also part of its mission) and disrupt the flow of unauthorized immigrants and smuggled goods. In the best of cases, CBP supervisors, agents, and officers find ways to balance the need to protect our nation’s security and economy. As some supervisors at the POEs already clearly do, the role of leadership in the context of CBP’s dual mission is to both seek out best practices and empower officers to experiment with creative ways to facilitate travel and commerce while protecting the security of the nation. Too often the primacy of the security mission is used as a justification for tolerating long wait times for trucks, cars, and pedestrians attempting to cross.

# 1nc – Trans-Pacific Frontline

#### Turn: China

#### TPP will be used to contain China

**Roden 13** [Duncan Roden, “Pacific 'free trade' deal threatens poor,” Green Left Weekly, Saturday, July 6, 2013, pg. http://www.greenleft.org.au/node/54454

There is also a geopolitical aspect to the TPP. The TPP is an economic wing of the US’s strategic pivot toward Asia and a bid to counter China’s growing economic influence.

China is [certainly wary of this](http://www.tribune.net.ph/index.php/commentary/item/15576-tpp-the-pivot-to-the-pacific-part-ii). Professor Cai Penghong, director of Apec Research Center at the Shanghai Academy of Social Science, said: “It seems that US is using the TPP as a tool as part of its Asia Pacific strategy to contain China … it is unbelievable that the TPP negotiation activities are secretly conducted and non-members [find it] hard to assess what will happen.”

#### That risks preemptive war

**Peterson 11** – Professor of Political Science @ Oklahoma State University [Timothy M Peterson, “Third-party trade, political similarity, and dyadic conflict,” Journal of Peace Research, 48(2) 185–200

The question of how trade affects conflict is one of the most examined and debated within the study of International Relations. Yet, despite a large and growing literature investigating this question, few studies look beyond the states or dyads engaged in trade to the relationship between states that trade and those left out of given trade ties. This relative paucity of research exists despite innumerable historical examples in which third-party trade served both to facilitate aggression, by financing military campaigns, and to encourage pre-emption, by sparking fear and distrust among economic competitors. The mercantilist era exemplified these patterns, as commercial rivalries dragged European powers into over two centuries of nearly continuous military conflict.

However, after the works of David Hume (1752) and Adam Smith (1776) revealed fundamental flaws in mercantilist logic, capitalist ideology proliferated throughout the developed world. Free from the assumption that a favorable trade balance cultivated state power, trade became viewed increasingly as a pacifying force, tying state interests together rather than pulling them apart. The current literature, far removed from the age of mercantilism, empire, and major power war, suggests that, if states can overcome barriers to cooperation, the resulting economic ties inhibit violence (e.g. Polachek, 1980; Oneal & Russett, 1997; Gartzke, 2007). During the mercantilist era, however, the causal mechanisms connecting trade to conflict stemmed not only from failures to cooperate, but also from competition for trade with third parties. As Gilpin (2001) points out, the mercantilist spirit is far from dead, as modern states attempt to shape their exposure to international trade in ways that secure their own advantage. If states in the contemporary period are competitive over trade policy, then third-party trade may retain an aggravating influence. In an isolated dyad, absolute gains and potential relative losses from dyadic trade may have cross-cutting effects on the stability of peace. However, in a multilateral environment, states left out of trade relationships lose unambiguously relative to trading states. Accordingly, I argue that trade between a dyad member and third parties aggravates dyadic relationships, ceteris paribus.

This follows because the trading state, growing increasingly more powerful relative to the state that is left out, faces incentives to demand concessions from its dyadic partner, while its trade provides financing for violent challenges in pursuit of this aim. Conversely, the state not involved in third-party trade may resort to violence to preclude erosion of its relative power over time. However, political similarity within the dyad conditions this effect because similar states are less sensitive to changes in relative capabilities. As such, within politically similar dyads, the aggravating effect of third-party trade is reduced.

This article contributes to the literature on trade and conflict by demonstrating that the consequences of trade transcend the states actually trading. Whereas the extant literature generally examines the impact of trade with respect to states that trade with each other, I illustrate that trade ties affect incentives for conflict throughout the system because states may lose, in relative terms, from trade relationships to which they are not a part. This study complements the emerging literature on trade networks, which shows that indirect trade ties pacify dyadic relationships (Maoz, 2009; Dorussen & Ward, 2010); I focus on the counterfactual, demonstrating the potentially aggravating effect of third-party trade relationships when looking beyond those indirect ties that connect dyads. My argument also speaks to Gartzke’s (1998, 2007) notion of the capitalist peace and to the importance of preference similarity. I contend that, among states with conflicting strategic interests, third-party trade, by threatening the stability of the dyadic power balance, encourages militarized disputes, whereas for dyads with common state preferences, suggesting a low underlying willingness to engage in conflict, the potentially aggravating impact of third-party trade diminishes. Pg. 185-186

#### Turn: WTO

#### TPP undermines its dispute settlement process

**Bhagwati 13** - Professor of economics @ [Columbia University](http://www.columbia.edu/%7Ejb38/" \t "_blank) [Jagdish Bhagwati (Senior Fellow in International Economics at the [Council on Foreign Relations](http://www.cfr.org/experts/international-economics-trade/jagdish-n-bhagwati/b1753" \t "_blank)), “Why the TPP is undermining the Doha Round,” East Asia Forum, January 14th, 2013, pg. http://www.eastasiaforum.org/2013/01/14/why-the-tpp-is-undermining-the-doha-round/

The potential trade-offs in negotiations are more manageable and participant states may be more likely to make offers and examine concessions. But apart from this possible advantage, the TPP process has many downsides, and is undermining successful multilateral free trade.

Stronger countries often ‘divert’ trade from cheaper non-member sources to more expensive member sources, bringing harm rather than good. Also, the enormous growth of such FTAs, now more than 350 and still growing, has led to a systemic effect: creating a ‘spaghetti bowl’ of preferences and chaos in the world trading system … The American doctrine of inducing multilateral trade liberalisation by signing on FTAs [has proven to be a chimera](http://www.nysun.com/opinion/termites-in-the-trade-system/81080/" \t "_blank)’.

For example, to liberalise agricultural trade, both production subsidies and export subsidies need to be eliminated. The Hong Kong Declaration in 2005 set out an agreement to abolish export subsidies. But to get rid of production subsidies a multilateral agreement ([through the Doha Round](http://www.eastasiaforum.org/2011/04/29/the-doha-rounds-premature-obituary/" \t "_blank)), and not a bilateral one, is absolutely critical. This is because unlike with export subsidies, it is technically impossible to reduce or relax a production subsidy so that it applies bilaterally to only one country. Under a regional agreement like the TPP, this problem is only slightly reduced, because there are still not enough countries to effectively reduce production subsidies.

The Republicans in Congress are now fiercely committed to protecting US agriculture. Their continued control of the US House of Representatives will make it more difficult to reach an agricultural deal under the TPP. US business lobbies also have little interest in liberalising agriculture — they want concessions in manufacturing and services. Although it is not yet clear whether these can be achieved either, they certainly cannot be done with Doha.

Many aspects of the TPP reflect the demands of US business lobbies and are actually calculated to reduce the openness of the trade system for new members. Smaller countries, like Vietnam and Singapore, are therefore being pressured to have ‘WTO Plus’ kinds of copyright protection. The same problem occurs with respect to labour standards under the TPP.

India could never agree to these aspects. Membership of the TPP should be open to countries willing to make trade concessions, and members should not be required to sign onto all of the TPP’s provisions. For example, countries should be allowed to sign onto the ‘WTO Plus’ rules on intellectual property, or sign onto different labour standards, but meeting the demands made by US lobbyists should not be a pre-condition to joining the TPP.

ASEAN+1 and ASEAN+3, which preceded ASEAN+6, deliberately excluded the United States. But China’s aggressiveness on the external front pushed smaller Asian countries, such as Vietnam, Malaysia and Singapore, to support the TPP. The TPP thus became the United States’ way of [getting back into the Asian region](http://www.eastasiaforum.org/2013/01/10/crunch-time-for-the-tpp/" \t "_blank).

Yet US policy — wittingly or unwittingly — is moving to fragment Asia in the same way that it fragmented South America. This is where the ASEAN+6 grouping could play a role, by demonstrating to the United States that it is welcome, but only within a genuine trade grouping.

ASEAN+6’s [Regional Comprehensive Economic Partnership](http://www.eastasiaforum.org/2012/12/03/the-way-forward-for-rcep-negotiations/" \t "_blank) (RCEP) can only work if it is stripped of trade-unrelated demands, but it presents an alternative to the TPP, one where other countries — even countries such as Canada and France — could be included. If ASEAN+6 has India and China joining it, they can present the RCEP as a template where no comparable side conditions will apply. However, this may mean that the United States will not join it.

Finally, the investor-state dispute settlement mechanisms being advocated as part of the TPP will invariably involve surrendering some sovereignty in order to gain other benefits. This is the case when a country joins any international agreement. The problem with the TPP dispute settlement mechanisms is that there is already an incredibly successful and wide-reaching dispute settlement mechanism at the WTO, a multilateral institution. But regional agreements like the TPP and bilateral agreements automatically generate more dispute settlements and so-called arbitration within those groups. The bigger powers within those groupings, such as the United States or the European Union, have greater clout and will therefore have more influence over those arbitration panels and their outcomes, and that will in turn eventually undermine the WTO dispute settlement process.

The WTO multilateral trade system and WTO dispute settlement system are likely to be undermined by the TPP. Smaller powers have to ensure that the WTO dispute system remains paramount. Unless these complexities are better understood, they are going to miss the boat on better multilateral free trade.

#### No resource wars

**Victor 07** - Director of the Program on Energy and Sustainable Development @ Stanford University [David G Victor (Professor of law @ Stanford Law School and Senior fellow at the Council on Foreign Relations, where he directed a task force on energy security), “What resource wars?,” Asia Times, Nov 14, 2007, pg. http://www.atimes.com/atimes/Global\_Economy/IK14Dj02.html

While there are many reasons to fear global warming, the risk that such dangers could cause violent conflict ranks extremely low on the list because it is highly unlikely to materialize. Despite decades of warnings about water wars, what is striking is that water wars don't happen - usually because countries that share water resources have a lot more at stake and armed conflict rarely fixes the problem. Some analysts have pointed to conflicts over resources, including water and valuable land, as a cause in the Rwandan genocide, for example. Recently, the UN secretary-general suggested that climate change was already exacerbating the conflicts in Sudan.   
But none of these supposed causal chains stay linked under close scrutiny - the conflicts over resources are usually symptomatic of deeper failures in governance and other primal forces for conflicts, such as ethnic tensions, income inequalities and other unsettled grievances. Climate is just one of many factors that contribute to tension. The same is true for scenarios of climate refugees, where the moniker "climate" conveniently obscures the deeper causal forces.   
The dangers of disease have caused particular alarm in the advanced industrialized world, partly because microbial threats are good fodder for the imagination. But none of these scenarios hold up because the scope of all climate-sensitive diseases is mainly determined by the prevalence of institutions to prevent and contain them rather than the raw climatic factors that determine where a disease might theoretically exist. For example, the threat industry has flagged the idea that a growing fraction of the United States will be malarial with the higher temperatures and increased moisture that are likely to come with global climate change.   
Yet much of the American South is already climatically inviting for malaria, and malaria was a serious problem as far north as Chicago until treatment and eradication programs started in the 19th century licked the disease. Today, malaria is rare in the industrialized world, regardless of climate, and whether it spreads again will hinge on whether governments stay vigilant, not so much on patterns in climate. If Western countries really cared about the spread of tropical diseases and the stresses they put on already fragile societies in the developing world, they would redouble their efforts to tame the diseases directly (as some are now doing) rather than imagining that efforts to lessen global warming will do the job. Eradication usually depends mainly on strong and responsive governments, not the bugs and their physical climate.   
Rethinking policy  
If resource wars are actually rare - and when they do exist, they are part of a complex of causal factors - then much of the conventional wisdom about resource policies needs fresh scrutiny. A full-blown new strategy is beyond this modest essay, but here in the United States, at least three lines of new thinking are needed

# Ext China Turn

#### TPP will crowd China out and turn it into an economic competitor

**Bower 11** – Senior Adviser and Director of the Southeast Asia Program @ CSIS [Ernest Z. Bower, “Two Models for Integrating Asia: A Must Win for President Obama,” Center for Strategic and International Studies, Nov 9, 2011, pg. <http://csis.org/publication/two-models-integrating-asia-must-win-president-obama-0>]

Asia is now home to more than 50 percent of the world’s economic activity, a long-anticipated benchmark vastly accelerated by China’s stunning, swift economic growth and its overtaking Japan as the planet’s second-largest economy. Asia’s dynamism is transforming the world, its institutions, and U.S. strategy. Secretary of State Hillary Clinton has described the shift to Asia as a strategic pivot.

While U.S. foreign policy and security leadership are aptly refocusing on Asia, more needs to be done—and fast. This is particularly the case on trade.

The United States has lost ground in Southeast Asia over the last decade. In 2004, the United States was ASEAN’s largest trading partner, with total trade valued at $192 billion. Today, China, a non-consequential partner for ASEAN in the early 1990s, is the region’s largest trading partner, with two-way trade totaling $293 billion in 2010.

Over the past 10 years, ASEAN has inked free trade agreements (FTAs) with China, Japan, Korea, Australia, New Zealand, and India. The United States has only one FTA in ASEAN—with Singapore. The result has been a ceding of market share and presence in the world’s fastest growing and most dynamic markets. No wonder that U.S. economic growth has suffered. Ignorance and relative neglect of Southeast Asia have cost the United States jobs, growth, and influence.

That is why the CSIS-U.S. ASEAN Strategy Commission has recommended that the Obama administration put a stake in the soil when President Obama travels to Indonesia for his third U.S.-ASEAN Leaders Meeting and first East Asia Summit and tell the region that the United States wants to negotiate a U.S.-ASEAN FTA. The signal would resonate loudly in capitals around the Asia Pacific. It would demonstrate that the United States is back, serious, and committed to reasserting its role as an economic leader in Southeast Asia.

There is a real competition under way to define how economic integration of Asia will proceed. The wagers are high. The winning model will determine standards and rules. It will define the pace of trade and investment and support a move toward either global free trade or a return to regionalism and nationalism. Those left out of the predominant structure will experience slower growth and face grinding competition to engage from outside.

The two competing models are those of the U.S.-led Trans-Pacific Partnership (TPP) and the China-led ASEAN Plus Three — ASEAN plus China, Japan, and South Korea. Competition for economic integration is good for Asia. It should sharpen the sense of urgency for governments to move faster and more decisively. The TPP model is one based on a high-level U.S. FTA standard that is comprehensive and binding.

#### TPP will be used to discriminate against China

**Bown & McCulloch 05** – Professors of Economics and International Business @ Brandeis University [Chad P. Bown & Rachel McCulloch, “U.S. TRADE POLICY TOWARD CHINA: DISCRIMINATION AND ITS IMPLICATIONS,” East Asian Bureau of Economic Research, February 2005, pg. http://www.eaber.org/sites/default/files/documents/paftad\_30\_bown\_mcculloch.pdf]

Any country excluded from preferential access is at an obvious disadvantage. Indeed, preferential agreements have become so important a determinant of export success in major markets that mere “MFN treatment” might now be more accurately described as least-fav-red-nation status. U.S. trading partners including ASEAN members are contemplating FTAs with the United States less to expand market access than to retain their current access (Naya and Plummer, 2005).7 Some view to pressure on excluded countries to negotiated their own FTAs as giving rise to a desirable “competitive liberalization” process, while others are less optimistic, noting the complex and trade-distorting rules of origin such agreements typically entail as well as the possible inhibiting effect on future multilateral liberalization (Limão 2003). Srinivasan (2004) in fact suggests that China and India, each is excluded from most of the important FTAs, should propose repealing GATT Article XXIV and replacing this giant loophole with rules that convert any preferential liberalization among WTO members to MFN liberalization within a stipulated period, such as five years. But since its WTO accession China has lost no time in negotiating its own FTAs with trading partners in the Pacific region (Antkiewicz and Whalley 2004). Talks are even underway with India, among others.

3. U.S. Trade Policy toward China: Implicit and Explicit Discrimination - In this section of the paper we present data on specific U.S. trade policies that discriminate against China. We split our discussion into two parts. Sections 3.1 and 3.2 focus on explicitly discriminatory trade policy, where the result of the U.S. trade policy is to raise barriers against Chinese exporters, thus allowing exporters from other countries preferential access to the U.S. market. Section 3.3 focuses on implicitly discriminatory trade policy, which lowers U.S. barriers facing non-Chinese exporters to the detriment of their Chinese competitors. Pg. 7-8

#### FTAs will be converted into security alliances

**Fordham 10** – Professor of Poli Sci @ Binghamton University [Benjamin O. Fordham “Trade and asymmetric alliances,” Journal of Peace Research, Nov 2010 vol. 47 no. 6 pg. 685-696

Major power policymakers have good reasons to care about the security of their trading partners. International trade may not only enrich their citizens but could also affect the state’s power and security. **Alliances are one** possible **way major powers can prevent interference with valuable commercial relationships**. The evidence reviewed here indicates that major powers respond to these incentives. At least since World War II, trade has had a substantial effect on the probability that these states would form alliances with minor powers. These **results are robust** across a variety of different data sources and model specifications. The relationship also does not stem from the effect of alliances on trade. There is no evidence that these alliances alter trading patterns. Pg. 694-695

#### AND, These new commitments undermine US credibility and risk a miscalculated war

**Calleo 98** – Director of the European Studies Program @ Johns Hopkins University [David P. Calleo (Professor of international studies @ Johns Hopkins University) "A new era of overstretch? American policy in Europe and Asia" World Policy Journal, Spring, 1998, pg. <http://findarticles.com/p/articles/mi_hb6669/is_n1_v15/ai_n28704396/?tag=content;col1>]

Given the priority that American domestic politics places on budget balancing, a foreign policy that appears vigorously determined to create expensive **new military commitments** seems anomalous. It is difficult to see the rationale for an American policy that deliberately picks an unnecessary quarrel in Europe and, at one stroke, also antagonizes its most useful future ally in Asia. If the United States truly embarks on such a geopolitical course, a quick return to the unbalanced American fiscal conditions typical of the late Cold War seems very probable. Alternatively, should the civilian priorities of the American political system prevent such an ambitious geopolitical course from being financed effectively, **America's foreign commitments will be taken less and less seriously, the** **classic recipe for war by miscalculation.**

#### They risk US overstretch and decline

**Calleo 98** – Director of the European Studies Program @ Johns Hopkins University [David P. Calleo (Professor of international studies @ Johns Hopkins University) "A new era of overstretch? American policy in Europe and Asia" World Policy Journal, Spring, 1998, pg. <http://findarticles.com/p/articles/mi_hb6669/is_n1_v15/ai_n28704396/?tag=content;col1>]

Clinton's second term, however, seems to be off to a troubling start. The lack of coherence between foreign and domestic policy looks as if it may start to catch up with him. Worse, there is a prevailing smell of hubris. A rather militant and assertive self-satisfaction, which alienates useful allies, seems to go hand in hand with geopolitical overconfidence and carelessness - tendencies that point to a new era of **geopolitical "overstretch"** and a new lease on life for the **"declinists."** If there is a historical parallel, it is with the 1960s and the Kennedy administration. If the parallel holds, we are probably now entering the Lyndon Johnson phase - a thought that should give pause to any president, most especially to one who is a liberal Democrat of the Vietnam generation.

#### AND, China will interpret the alliances as encirclement

**Farley 11** - Professor of military doctrine and national security @ University of Kentucky [Dr. Robert Farley, “Over the Horizon: Defining Red Lines to Avoid War With China,” World Politic Review | 09 Nov 2011, pg. <http://www.worldpoliticsreview.com/articles/10607/over-the-horizon-defining-red-lines-to-avoid-war-with-china>]

But nations don’t always expect war, either. Wars generally involve a degree of miscalculation, at least by one side, otherwise the parties would recognize the respective power balances and resolve the dispute without engaging in hostilities. The authors of the RAND report are correct to observe that **war between the U.S. and China would** probably **result from** a long-term series of **miscalculations** and misunderstandings, potentially ignited by a sudden change in circumstances. However, misperceptions might also affect long-term U.S. and Chinese policy in ways that make war in the future much more likely.

Clearly, certain long-term interests of the United States and China differ. Although both countries seek a peaceful commons in which they can enjoy the fruits of international trade, they differ regarding the balance of responsibility for protecting that commons. They also disagree about the political status of Taiwan, the relationship between North and South Korea, and a variety of other questions associated with East Asian regional politics. None of these differences need to become disputes, much less lead to war. Nevertheless, both the U.S. and China have “red lines,” or negotiating positions that they will risk war over rather than compromise on them. As long as a political conflict stays between the lines, peace holds.

But leaders have a strong incentive to deceive with regard to their red lines. Displaying intransigence can often work as a negotiating strategy, forcing the other player to compromise. However, such deception runs the risk of convincing an opponent that no agreement can be reached. Normally, too, at least some part of crisis negotiations are public, meaning that leaders can find themselves trapped between international interlocutors and domestic commitments, both inside and outside government. Such public declarations -- by a U.S. president regarding America’s commitment to defending Taiwan from attack, for instance -- might subsequently transform a negotiating tactic into a shooting war.

And of course, both sides have to prepare for war, both to improve their negotiating positions and in case negotiations fail. The latest iteration of such planning among U.S. strategic circles is AirSea Battle, an operational-level doctrine designed to facilitate cooperation between air and sea military assets, with ground forces largely expected to remain on the sidelines. China’s military might is now sufficient that the United States cannot leave room for the kind of error that inter-service conflict normally produces; its military machine has to run as efficiently as possible in order to plausibly threaten the People’s Liberation Army with defeat. While AirSea Battle doesn’t officially designate China as the expected opponent, no other foe would be plausible. For its part, China will continue to develop a system of anti-access capabilities designed mainly to force a U.S. president to hesitate before deploying aircraft carriers to respond to a crisis in East Asia.

And herein lies the problem: **Any plan for war against China indicates that the U**nited **S**tates **is thinking seriously about war with China**, thus potentially **inspiring a Chinese reaction**. What’s more, doctrinal and procurement decisions made now without full consideration of how the strategic situation might change could leave the United States -- or China -- with capabilities that don’t support their future diplomatic commitments. But a lack of preparation for war would indicate to the PRC that the United States has few if any “red lines” in East Asia, thus encouraging Chinese assertiveness. Given the likelihood that the United States is indeed willing to fight over some values -- perhaps Taiwan, perhaps South Korea -- such a message could prove disastrous, leading to misperception, miscalculation and the chance that the partners might become locked into a path to war.

There is no ready solution to this problem, because it lies at the heart of all diplomatic activity. Absent exceptional intelligence work, the motivation and resolve of diplomatic partners will always remain something of a mystery. A dense set of relationships and interactions undoubtedly helps create transparency, as interlocutors become familiar enough with each other to recognize the difference between real red lines and their rhetorical doppelgangers. This density of interactions involves not just high-level diplomatic meetings, but also commercial and military relationships. The RAND authors suggest that **the U**nited **S**tates work to commit itself to the **defense and support of** regional **allies**. While such a policy **might threaten China with encirclement**, it could also help reduce uncertainty; public commitments manifested through strong bilateral relationships are difficult to abandon, even in a crisis. However, even a policy of commitment is only as valuable as the capabilities devoted to its maintenance, and the U.S. advantage over China in this regard will become strained over the coming decades.

#### Encirclement risks Chinese attacks – Wars will spread throughout Asia

**Garver & Wang 10** – Professors of International Relations @ Georgia Institute of Technology [John W. Garver & Fei-Ling Wang, “China’s Anti-encirclement Struggle,” Asian Security, vol. 6, no. 3, 2010, pp. 238–261

China is in a quandary in its anti-encirclement struggle. Logic suggests that it use its growing power to shape its international environment along lines favorable to China’s security. Failure to punish China’s neighbors who align with distant powers or with one another against China creates an environment that tacitly encourages, and perhaps even rewards (via benefits conferred by the distant hostile power), China’s neighbors for trampling on China’s core security interests. Such a weak approach would not foster respect for China’s great and growing power. A willingness to use China’s power in support of China’s interests, however, fosters an attitude of foreign respect, or at least so it may be argued. Failure to act forcefully would also open China’s leaders to criticism by increasingly **influential nationalist opinion** within China. Conversely, use of China’s power in coercive ways intensifies neighboring countries’ fear of China’s power, creating incentives for them to move further together and into alignment with the United States.

China’s anti-encirclement struggle seems to rely on the logic of defeating China’s enemies one by one, of dividing and driving a wedge between one’s opponents. Simultaneous punishment of India and Japan would have driven those countries closer together. China’s interest is to keep them apart. In line with this, Beijing avoided “punishing” Japan and India at the same time. This coordination probably took place in the FALSG, a body headed by a member of the Standing Committee of the Politburo, with senior representation from the Foreign Ministry, the military, and party foreign affairs agencies. The FALSG undertakes to coordinate foreign policy decisions in various sectors.93 The assumption of noncoordination implies that China’s core security interest (nonalignment of its neighbors against it) played little or no role, with policy toward India and Japan proceeding entirely on the basis of purely bilateral issues. This seems implausible given the gravity of Chinese security interests involved with Japan, India, and the relations of both those countries and the United States.

The United States, India, and Japan are playing a high-risk game. The underlying calculation of deterring Chinese resort to military moves against the interests of one or all three countries may well be a prudent approach. But the risks are nonetheless high. **Germany**’s road to war in 1914 and **Japan**’s road in 1941 were to a significant degree predicated on a sense of being encircled by a coalition of hostile powers. Both were determined to break out of that encirclement. If leaders in Beijing conclude that the coalition congealing against China is becoming too powerful, too solid, too obvious, or simply too unfair, they might conclude it necessary to **strike against** one or another member of **the “anti-China coalition**.” This would confront the United States with the choice of supporting its friend against China possibly risking a major war with China, or remaining neutral and risking the collapse of the whole structure designed to “hedge” or constrain rising China. Pg. 258-259

#### This is the most likely scenario for a nuclear world war

**Evans 11** – ADC Fellow @ Australian Defence College [Michael Evans (Former Head of the Australian Army’s Land Warfare Studies Centre @ Royal Military College), “Power and Paradox: Asian Geopolitics and Sino-American Relations in the 21st Century,” Orbis, Volume 55, Issue 1, 2011, Pages 85–113

For the first time since the beginning of the sixteenth century, the single largest concentration of global economic power will be found not in Europe nor in the Americas, but in Asia. Various U.S. and European scholars of geopolitics have called this shift the “post-Vasco da Gama era,” “the coming of the post-Columbian epoch” and “the end of the Atlantic era.”2 Similarly, the leading Singaporean intellectual, Kishore Mahbubani, has written of Asia's rise as carrying with it an “irresistible shift of global power to the East” which will transform the world.3 Yet, it remains unclear whether this economic revolution can be accommodated by the geopolitical structures that characterize contemporary Asia. Indeed, the dominant feature of contemporary Asian geopolitics is an unresolved tension between the direction of economic growth and that of strategic alignment. The vital interests of the world's lone superpower, the **U**nited **S**tates, **and** those of the great powers of **China, Japan, India and Russia** are all engaged in Asia in a climate of change and uncertainty about the future.

Asia's rise to economic supremacy is occurring against a general geopolitical environment that **lacks formal security architecture for** either **stable arms control regimes** **or** for structured **conflict-resolution**. The rise of China and the growing multipolarity of Asia, as a whole, is a challenge to U.S. supremacy. Concern over long-term regional security is fuelling a process of military modernization across East, Central and South Asia, from weapons of mass destruction (WMDs) to missile defense and information technologies.4

Asia is also increasingly a laboratory for the cross-cutting themes of what James Rosenau has called “the two worlds of world politics”—that is the old security agenda of modern realist geopolitics and inter-state rivalry and the new security agenda of post-modern globalized security and non-state threats.5 In terms of the old security agenda, Asia is home to eight of the world's ten largest militaries and it contains four **dangerous flashpoints**: the Taiwan Strait, the Korean Peninsula, Kashmir, and Pakistan-Afghanistan. Asia's geopolitical security agenda includes a volatile mixture of Islamist extremism, transnational threats and weak states in South Asia and parts of South-East Asia. Some analysts view the dangers of Asia as deep and profound. To quote one 2008 study on U.S. Asian policy:

Asia is not a theatre at peace. . . suspicions rooted in **rivalry and nationalism run deep**. The continent harbors every traditional and non-traditional challenge of our age; it is a cauldron of religious and ethnic tension; a source of terror and extremism; an accelerating driver of the insatiable global appetite for energy; the place where the most people will suffer the adverse effects of global climate change; the primary source of nuclear proliferation and the **most likely theatre on Earth for a major** conventional confrontation and even a **nuclear conflict**.6

# Ext WTO Turn

#### TPP undermines WTO and causes protectionism. Focus on government procurement will jumpstart negotiations

**Desker 13** - Dean of the [S. Rajaratnam School of International Studies](http://www.rsis.edu.sg/about_rsis/dean_welcome.html" \t "_blank) (RSIS), Nanyang Technological University [Barry Desker, “It’s time to return to the WTO,” East Asia Forum, April 12th, 2013, pg. http://www.eastasiaforum.org/2013/04/12/its-time-to-return-to-the-wto/

The recent proliferation of regional FTAs is good news for the parties involved.

But FTAs cannot be substitutes for a global solution in world trade. There remains a need for global rules to provide stability — the WTO needs to get back on track with ministerial conferences.

Since the global financial crisis in 2008, protectionism has increased and global trade negotiations have stalled. The East Asian economies have retreated to accepting second-best choices in trade deals — the bilateral and plurilateral preferential trading arrangements usually known as FTAs — even though they were the foremost advocates of global trade negotiations until the WTO ministerial conference in Seattle [collapsed in 1999](http://www.guardian.co.uk/world/1999/dec/05/wto.globalisation" \t "_blank).

The irony is that as global trade increased, countries which benefited from existing conditions took positions that suggested they had no stake in the outcome of the WTO negotiations. The political will to trade concessions declined and posturing by marginal players in global trade increased the difficulty of reaching accords on contentious issues.

The drift in global negotiations has led to a frenzy of bilateral and regional talks involving the major trading states, regional groupings and even cross-regional arrangements in the past decade.

Major cross-regional agreements being negotiated right now include the Regional Comprehensive Economic Partnership (RCEP) and the Trans-Pacific Partnership (TPP).

One advantage of these broad groupings is that the benefits are likely to be greater than those of bilateral FTAs. But the new regimes reflect current big power preoccupations. The TPP will ensure export opportunities for the United States, protect US domestic industries and focus on issues that may be [beyond the interests of participating states](http://www.eastasiaforum.org/2013/03/31/intellectual-property-and-wealth-transfers-in-the-trans-pacific-partnership/" \t "_blank) such as Vietnam.

While the United States underwrote global prosperity after World War II, its approach today is mercantilist — its trade policies promote its exports and discriminate against imports. The United States has focused on ensuring [‘competitive neutrality’](http://www.eastasiaforum.org/2012/07/07/equal-treatment-for-outward-investors/" \t "_blank) for state-owned enterprises of its negotiating partners so that US businesses can offer goods and services in foreign markets without being disadvantaged by subsidised foreign competitors. Yet excluded from these trade talks are US federal government enterprises, which still [subsidise agricultural exports](http://www.eastasiaforum.org/2013/03/14/mexican-tomatoes-and-the-us-tpp-negotiations/" \t "_blank).

Strict US rules of origin for textile and apparel manufacturers in East Asia [undermine efficient regional supply chains](http://www.eastasiaforum.org/2013/01/06/will-the-tpp-facilitate-or-disrupt-supply-chains/" \t "_blank) as they prevent manufacturers from sourcing components from other countries in the region. The United States requires that clothing be wholly or substantially produced in the exporting country, whereas liberal rules of origin would allow East Asian economies exporting clothing to the United States to include components from different countries in the region.

Relaxing these rules of origin would improve the integration of supply chains in industries such as clothing and apparel manufacturing. Some bilateral and plurilateral trading agreements suffer from the noodle or spaghetti bowl phenomenon, where there are overlapping rules and difficulties in exercising the benefits from successful negotiations. Small and medium enterprises do not have the capacity to monitor the different rules of origin in each FTA and cannot take advantage of the negotiated benefits.

Singapore and other countries that straddle both the RCEP and TPP could play a positive role in working towards greater conformity between the two while negotiations are still taking place. This would improve the prospects of harmonisation later. But the current negotiating structures offered by bilateral and plurilateral trading agreements do not deal with the fundamental change in global trade — the emergence of global supply chains and the need to enable governance of such logistics networks.

In the fashion and apparel sector, for every dollar earned in manufacturing, four dollars are made in distribution, logistics and retail sales. There is also a shift towards distributed manufacturing, with parts and components being manufactured in different locations. While the final assembly of an iPad may take place in China, the components come from around East Asia. China may have added as little as 10 per cent to the [value of the final product.](http://pcic.merage.uci.edu/papers/2011/Value_iPad_iPhone.pdf" \t "_blank)

Since the problem has global dimensions, global solutions are necessary. It is time to return to the WTO and global trade negotiations — but with a different approach. The focus should be on reaching agreements at WTO ministerial conferences held every 18 to 24 months, which would conclude agreements on issues such as government procurement as well as new issues such as facilitating global supply chains.

Instead of grand bargains, which are unlikely to be concluded with universal membership, the WTO should focus on a built-in agenda to which new items could be added as agreements are reached on current areas of negotiation. Where issues may not be of interest to the entire membership, interested parties could agree where there is a critical mass. Such an approach has led to some of the WTO’s most noteworthy agreements.

As a global slowdown occurs, protectionism can only be combated by a willingness to address the issues facing the multilateral trading system. Even as countries pursue the second-best option of FTAs, policymakers must still be focused on global risks and global solutions.

#### TPP undermines WTO. Dispute Settlement process is the superior option

**Singh 13** - Economist @ Business Line [Ritesh Kumar Singh, “Killing WTO softly,” The Hindu Business Times, May 13, 2013, pg. http://www.thehindubusinessline.com/opinion/columns/killing-wto-softly/article4712017.ece

Bilateral is the flavour

This does not mean that there is no urge for trade liberalisation. It is just that the US — most advanced economies, for that matter — given the situation it is in, is wanting to negotiate trade pacts today purely on commercial terms serving its domestic constituencies, rather than any idealistic development agenda of the Doha Round.

Existing WTO rules do not seem to serve this purpose, which explains the US indifference to the Doha Round that is heading nowhere after almost 12 years since commencement of negotiations.

Going forward, the US wants to rewrite the rules of trade by including evolving issues such as labour and environmental protection, reform of state-owned enterprises (SOE) and trade-related investment measures in the deals it is pursuing on a bilateral basis.

That includes two major pacts — a transatlantic trade agreement with the EU and a similar transpacific deal with major nations of Asia-Pacific, excluding China.

Besides trade, one of the key objectives of the US administration in the latter agreement is containment of China, which is seen to be exerting growing influence in the Asia-Pacific region causing concerns to old American allies such as Japan. Disputes over Senkaku islands involving China and Japan, and those over the South China Sea involving China and ASEAN nations, only further underline the strategic importance of a US-promoted Trans-Pacific Partnership (TPP) regional FTA. Not being left behind, China too is working on an ambitious trade pact called Regional Comprehensive Economic Partnership (RCEP). This aims to bring together both ASEAN and non-ASEAN members of the Asia-Pacific region, including Japan, Korea, Australia and New Zealand, which excluding the US, of course.

The major casualty in this commercial and strategic tussle between China and the US is the WTO or ‘multilateralism’.

Beyond WTO

Member countries of both TPP and RCEP are India’s key trading partners. Together, they account for roughly one-third of its trade. That means India may have to deal with diversion of trade and capital inflows, if it wants to remain outside these trade blocs. As of now, India has reluctantly joined the talks on RCEP. If the country decides to be a party to the TPP, a major issue that it would have to confront is aligning its domestic investment and trade regulations with TPP guidelines, which are ‘WTO-plus’ in nature. On the other hand, China’s not-so-impressive record at playing according to its own rules of trade is something that does not really inspire.

As the US Trade Representative Office’s latest report on China’s WTO Compliance has noted, “China continues to pursue industrial policies that seek to limit market access for imported goods, foreign manufacturers and foreign-service suppliers, while offering substantial government guidance, resources and regulatory support to Chinese industries. The principal beneficiaries of these policies are SOEs and favoured domestic companies attempting to move up the value chain.”

The above claims have been further substantiated by a recent study by Usha C.V. Haley and George T. Haley on Chinese subsidies to its solar panel, steel, glass, paper and auto parts industries. The study has shown labour costs to comprise only 2 to 7 per cent of the total cost in these industries, and yet Chinese manufacturers could supply 25 per cent cheaper.

Government subsidies, in the form of cheap loans, raw materials, components, energy and land, is what explains this under-pricing.

When it comes to its own market as well, China uses non-tariff barriers to restrict imported goods.

The best example of this is the use of unique Chinese national standards, despite the existence of well-established global standards, for restricting import of automobiles, telecom equipment or even cosmetics into its territories.

India’s options

US reluctance to implement WTO decisions on cotton subsidy or continued Chinese violation of its WTO accession protocol terms has systematically undermined multilateralism over the years.

Bilateralism diverts trade away from the most efficient producers towards less efficient ones. Nor does it lead to an increase in the size of the global trade pie.

Either way, it is clearly a sub-optimal solution and will not help a country like India to tide over the shrinkage of its export markets caused by the protracted global economic slowdown alongside an increasing trend of protectionism.

India’s FTAs, on the other hand, have at best had a modest success in pushing its exports, thereby demonstrating the limitations of the bilateral route.

The multilateral framework of the WTO, with decision by consensus and enforcement of trade rules backed by its Dispute Settlement Mechanism, is much more suited to India’s trade interests.

# Ext Victor – No resource war

#### No resource wars – Media hysteria

**Victor 07** - Director of the Program on Energy and Sustainable Development @ Stanford University [David G Victor (Professor of law @ Stanford Law School and Senior fellow at the Council on Foreign Relations, where he directed a task force on energy security), “What resource wars?,” Asia Times, Nov 14, 2007, pg. http://www.atimes.com/atimes/Global\_Economy/IK14Dj02.html

Rising energy prices and mounting concerns about environmental depletion have animated fears that the world may be headed for a spate of "resource wars" - hot conflicts triggered by a struggle to grab valuable resources. Such fears come in many stripes, but the threat industry has sounded the alarm bells especially loudly in three areas.   
First is the rise of China, which is poorly endowed with many of the resources it needs - such as oil, gas, timber and most minerals - and has already "gone out" to the world with the goal of securing what it wants. Violent conflicts may follow as the country shunts others aside. A second potential path down the road to resource wars starts with all the money now flowing into poorly governed but resource-rich countries. Money can fund civil wars and other hostilities, even leaking into the hands of terrorists. And third is global climate change, which could multiply stresses on natural resources and trigger water wars, catalyze the spread of disease or bring about mass migrations.   
Most of this is bunk, and nearly all of it has focused on the wrong lessons for policy. Classic resource wars are good material for Hollywood screenwriters. They rarely occur in the real world. To be sure, resource money can magnify and prolong some conflicts, but the root causes of those hostilities usually lie elsewhere. Fixing them requires focusing on the underlying institutions that govern how resources are used and largely determine whether stress explodes into violence. When conflicts do arise, the weak link isn't a dearth in resources but a dearth in governance.

# 1nc - Trans-Atlantic Frontline

#### Spying will prevent a Transatlantic agreement

**Birnbaum 13** [Michael Birnbaum, “U.S. spying allegations could delay E.U. trade talks,”, Washington Post, July 03, 2013, pg. http://tinyurl.com/mg2wvsd

BERLIN — The economic fallout over [allegations that the United States spied on European diplomats](http://www.washingtonpost.com/world/europe/eu-fury-on-allegations-of-us-spying/2013/06/30/8fe223e2-e1bc-11e2-8657-fdff0c195a79_story.html) widened Wednesday, with France’s government saying it wanted to delay the start of major U.S.-E.U. trade talks and a German official suggesting that citizens there stop patronizing American Internet companies such as [Google](http://washpost.bloomberg.com/marketnews/stockdetail/?symbol=GOOG) and [Facebook](http://washpost.bloomberg.com/marketnews/stockdetail/?symbol=FB) if they are concerned about their privacy.

The French call to “temporarily suspend” the talks for about 15 days is the latest blow to come from fresh accusations that [U.S. intelligence agencies had installed listening devices](http://www.washingtonpost.com/world/europe/kerry-in-brunei-faces-european-anger-of-snowdens-nsa-disclosures/2013/07/01/b223aeb8-e247-11e2-a11e-c2ea876a8f30_story.html) and accessed the computer networks of European diplomatic offices in Washington, New York and Brussels.

#### Agriculture will prevent TTIP

**Wagstaff 13** [[Keith Wagstaff](http://theweek.com/editor/articles/keith-wagstaff), “Could U.S. spying ruin a $127 billion trade deal with the EU?,” The Week | July 3, 2013, pg. http://theweek.com/article/index/246444/could-us-spying-ruin-a-127-billion-trade-deal-with-the-eu

The NSA's snooping isn't the only thing that could derail TTIP. France's ruling Socialist Party has already expressed misgivings about the free trade pact, [particularly on regards to](http://bigstory.ap.org/article/france-calls-2-week-delay-us-eu-trade-talks" \t "_blank) French cultural and film subsidies. The United States and the EU are also [expected to tussle](http://www.theverge.com/2013/7/2/4486606/will-nsa-spying-damage-us-trade-talks" \t "_blank) over genetically modified U.S. agriculture.

Indeed, France may simply be trying to gain leverage in talks over a trade pact it's not even sure it wants. Bill Reinsch, president of the National Foreign Trade Council, tells [The Hill](http://thehill.com/blogs/on-the-money/1005-trade/308967-us-eu-trade-talks-not-expected-to-be-hampered-by-spying-fight" \t "_blank) that the NSA allegations "gives people who don't want it more ammunition."

#### Long timeframe. At best, the talks will last for 2 years and then all the individual countries must ratify it

**Erquicia 13** [[Alex Erquicia](http://blogs.blouinnews.com/blouinbeatbusiness/author/aerquicia/), “Five things you need to know about the E.U.–U.S. free trade talks,” Blouin News, July 4, 2013, pg. http://blogs.blouinnews.com/blouinbeatbusiness/2013/07/04/five-things-you-need-to-know-about-the-e-u-u-s-free-trade-talks/

5)   When to expect the E.U. and the U.S. to reach a deal?

July 8-12 will only be the first round of the TTIP negotiations, the trigger of a process is that is likely to be long and winding. It will mostly be a get-to-know-you session for the participants. Stakeholders from both sides of the Atlantic will have an opportunity speak directly with TTIP negotiators and meet their counterparts. Nobody has given the trade talks an expiration date, but don’t expect them to conclude in less than two years at best. That would take the talks to the summer of 2015. Even then the European Parliament – and all the member states – and the U.S. Congress will have to ratify what has been negotiated.

#### US-EU relations are resilient

**Dennison 13** – Research fellow @ European Council on Foreign Relations [Susi Dennison, “Kerry's first trip gives clues on EU-US relations,” EUObserver.com,¶ 22.02.13 @ 19:27, pg. http://euobserver.com/opinion/119168

When US leader Barack Obama first announced, in autumn 2011, that he was to intensify the US' role in the Asia-Pacific region, it prompted much hand-wringing in Europe.

But it is unclear whether EU-US relations suffered as a result.

The European Council on Foreign Relations' (ECFR) latest "scorecard," which tracks the effectiveness of European foreign policy year on year, found that in 2012 EU-US ties were resilient.

We cited as evidence the success of the G8 summit at Camp David and the Nato summit in Chicago in May 2012, compared with the G20 summit in Los Cabos a month later, which delivered little and drew precious little attention.

Whatever the intention may have been with regard to continuing or reducing US resources in MENA, throughout 2012, American attention kept being drawn to the region.

From supporting Arab transitions, most notably in Egypt, to the ongoing conflict in Syria, to the Iranian nuclear programme and Israel's Operation Pillar of Defence in Gaza in autumn, the US remained watchful.

In the majority of these dossiers co-ordination with the EU has remained close, on the E3+3 process on Iran, through the Friends of Syria Group and at the UN.

As a result, the European External Action Service (EEAS) delegation in Washington is one of a select few EEAS missions which has begun to play a serious negotiation and co-ordination role in advancing EU policy.

# Ext Birnbaum – Spying

#### Don’t underestimate the importance of the spying episode. It will prevent the trade agreement

**Fuentes 13** [[Ana Fuentes](https://plus.google.com/107943870590571499892), “[Can espionage kill the US-EU Free Trade Agreement?](http://www.thecorner.eu/world-economy/can-espionage-kill-the-us-eu-free-trade-agreement/28222/),” The Corner, Jul 1, 2013 pg. http://www.thecorner.eu/world-economy/can-espionage-kill-the-us-eu-free-trade-agreement/28222/

Where will you go to talk with your partners about your bottom line position in a negotiation, if you are suspicious of being listened by the other part? This is one of the arguments against negotiating with the US after knowing they systematically and massively spied on their European allies.

Reactions went from irritated to outraged: mentions of “cold war” mentality, “Stasi” surveillance state, “abhorrent” behavior and “break of trust” came from European officials and politicians. German Chancellor Angela Merkel has compared US spying to Cold War tactics. Brussels wants EU facilities checked for American eavesdropping equipment.

Former CIA-analyst Edward Snowden has affected the course of US-EU relations. If the reports published by the weekend by Der Spiegel in Germany and The Guardian in Britain happen to be true, the NSA spied on EU offices and internal computer networks, in addition to millions of phone lines, especially in Germany. Consequences can be huge: talks on a U.S.-EU free trade deal should be frozen until Washington clarifies its activities, several EU policymakers said to Reuters. The first round of negotiations is set to start 8th of July.

For its European partners, the US have crossed a line. This is how Martin Schulz, president of the European Parliament, put it: “If it is confirmed that diplomatic representations of the European Union and individual European countries have been spied upon, we will clearly say that bugging friends is unacceptable…We are no longer in the Cold War”, said a government spokesman in Berlin.

France is one of the NSA 38 espionage targets. Microphones would have been installed in French Embassy in Washington. Both right and left wing politicians are horrified. “It has to stop immediately,” President François Hollande said on Monday. “We cannot accept this kind of behavior between partners and allies (…) There are enough elements for us to ask for an explanation.”

France’s Socialist Party Secretary General Harlem Désir said it was too early to completely suspend the agreement, but said guaranteeing the privacy of personal information would be a prerequisite for signing. Others are asking for a suspension until things are clarified. French Deputy Jean-Christophe Cambadelis wrote on his professional website on Saturday that “if the revelations about America’s spying of European institutions turns out to be true, the minimum we should do is suspend negotiations on a free trade area.”

# Ext Wagstaff – Ag

#### They will not be able to overcome cultural and philosophical issues

**Northram & Beardsley 13** [Jack Northram & Eleanor Beardsley, “EU-U.S. Trade: A Tale Of Two Farms,” NPR, July 08, 2013 3:52 AM , pg. http://www.npr.org/blogs/parallels/2013/07/08/199168194/EU-U-S-Trade-A-Tale-Of-Two-Farms

Genetically modified crops will be one of many thorny issues taken up when the U.S. and the European Union sit down to negotiate the Transatlantic Trade and Investment Partnership - or T-TIP - in Washington this week. The ambitious free-trade deal could form the world's largest single market. It promises to create thousands of new jobs, and generate tens of billions of dollars of additional trade.

Negotiators will attempt to reduce tariffs and adapt common standards. Both sides have much to gain. But what will be especially difficult will be overcoming barriers created by cultural and philosophical differences when it comes to sensitive areas like agriculture.

Roughly 90 percent of the soybeans, corn, cotton and sugar beets now grown in the U.S. are genetically modified. Wilkins believes many Americans are used to the idea. But he says Europeans view the benefits and safety of genetically modified crops with deep suspicion. He says there are philosophical differences when it comes to genetically modified crops that will be difficult to overcome in the trade negotiations.

Wilkins say the EU subscribes to the "precautionary principle." He says it wants ironclad assurances that products made from genetically modified organisms - or GMO - won't be harmful in the long term. Wilkins says there's nothing wrong with being cautious.

#### “Buy America” provisions will undermine negotiations

**Hotakainen 13** [Rob Hotakainen, “Pressure to ‘Buy America’ surging,” The State, Published: July 3, 2013  pg. http://www.thestate.com/2013/07/03/2846524/pressure-to-buy-america-surging.html#storylink=cpy

WASHINGTON — To John Garamendi, the new San Francisco-Oakland Bay Bridge set to open in September is a symbol of failed U.S. trade policy: a $6.3 billion project that used 43,000 tons of Chinese steel and produced thousands of jobs overseas.

With 70,000 U.S. bridges needing repairs, the Democratic representative from California wants Congress to pass more “Buy America” requirements, insisting that public works projects use American-made materials to create more manufacturing jobs – even if foreign firms offer lower bids.

“The American workers have been totally screwed year in and year out by the free-trade negotiations and the compacts that have been reached – and it’s got to end,” he said.

Opponents say that’s a surefire way to increase costs for U.S. taxpayers.

“You’re going to simply be less efficient – you’re going to buy more expensive products than you would if you could buy foreign products,” said Dan O’Flaherty, vice president of the National Foreign Trade Council in Washington, a business lobby that promotes global trade.

Despite the criticism, the idea is growing in popularity: 20 Buy America bills popped up in statehouses this year, a fourfold increase from last year.

Most of the bills died in committees, but critics fear that such a big spike could complicate the work of U.S. negotiators as they prepare to formally open the first round of new trade talks with the European Union on Monday.

The issue irked the European Union in 2009, when Congress included Buy America requirements in a bill to stimulate the economy. With the issue back on the table, some fear that U.S. negotiators may find themselves on the defensive, making it harder for them to press for increased access to the vast European markets.

“You should not be handing the people we’re negotiating with an ace in the bargaining,” said O’Flaherty.

In the last two years alone, three states – Colorado, Maryland and Ohio – have passed Buy America laws requiring the use of U.S. manufactured goods in public works projects, O’Flaherty said. He expects another flurry of bill introductions in 2014.

In Nebraska, state lawmakers this year even debated a “Buy Nebraska” law, aimed at giving an edge to state businesses over out-of-state competition for any state contracts.

“You have to wonder what they were thinking, because that means wheat, basically,” said O’Flaherty.

With so much public anger over trade deals, Garamendi is confident that the campaign to pass Buy America legislation is a winner for Democrats and Republicans alike.

“I’m telling you: This is a big, big political issue,” Garamendi said. “You want to go out and get the tea party to cheer for you as a Democrat? Just go say, ‘We’re going to make it in America. We’re going to spend your taxpayer money on American-made equipment and supplies.’”

# 1nc – China Bashing Frontline

#### Snowden to undermine relations even if they prevent China bashing

**Sink 13** [Justin Sink, “White House warns Snowden decision will chill U.S.-China relations,” The Hill, - 06/24/13 12:41 PM ET pg. <http://thehill.com/homenews/administration/307381-white-house-says-snowden-decision-will-chill-us-china-relations#ixzz2YQPnJARf>

Hong Kong’s decision to allow Edward Snowden to board a flight to Russia “unquestionably has a negative impact on the U.S.-China relationship,” the White House said Monday.

White House press secretary Jay Carney offered a blistering statement at his press briefing, saying the U.S. didn’t believe Hong Kong’s semi-autonomous government allowed the man accused of leaking national security secrets to the media on a technicality.

“We see this as a setback in terms of their efforts to build mutual trust and our concerns are pretty clearly stated,” Carney said

Carney said officials in Hong Kong had “plenty of time” to resolve questions about the warrant for Snowden's arrest, calling the decision to let him go a “deliberate choice.”

U.S. authorities are “just not buying that this was a technical decision,” he said.

#### Nearshoring now. Plan is not needed

**Selko & Vinas 12** [Adrienne Selko & Tonya Vinas, “Nearshoring Fuels Mexican Manufacturing Growth,” Industry Week, Mar. 10, 2012, pg. http://www.industryweek.com/global-economy/nearshoring-fuels-mexican-manufacturing-growth

Closer, cheaper, friendlier. That might have been the formula underlying moving to or opening manufacturing operations in Mexico. The United States' southern neighbor offers transportation distances a fraction of those from Asia, a labor force a good deal cheaper than domestic workers, and a country causing fewer headaches about intellectual property and other trade concerns. But in recent years, drug-related violence along the border has caused some manufacturers to be more cautious about making the move to Mexico.

Even with those concerns, Mexico continues to benefit from U.S. companies and other foreign investors who see it as an attractive manufacturing destination. In fact, 63% of those surveyed by AlixPartners, a business advisory firm, named Mexico the most attractive country for siting manufacturing operations closer to the United States. Only 19% of the companies reported supply-chain disruptions in Mexico as a result of security issues. And 50% reported they expect things to improve over the next five years.

Mexico's proximity to the United States solves the most pressing issue facing manufacturers, which is speed to market, according to Rich Bergmann, global lead for manufacturing for Accenture. "The stability of the time schedule of supply has become paramount in manufacturing. Whether we like it or not, a 12-month forecast, steady-state demand is no longer a reality. Everyone is running lean supply chains and inventories. Being close to customers is key to reducing lead time. Add to that the overall total landed cost and that explains why reshoring is occurring in Mexico," he says.

#### China has learned to ignore the bashing

**Carpenter 12** – Senior fellow @ Cato Institute [Ted Galen Carpenter, “China bashing: A U.S. political tradition,” Reuters, October 11, 2012, pg. http://blogs.reuters.com/great-debate/2012/10/11/china-bashing-a-political-tradition/

Chinese leaders have learned to regard this quadrennial anti-China rhetoric with a mixture of patience and bemusement. They note that despite Clinton’s fiery comments, U.S.-China trade soared during his administration, and after the first year or so, criticism about Beijing’s human rights policies virtually disappeared. Bilateral relations during the Reagan administration were exceptionally good, as the two governments cooperated to contain the Soviet Union’s power.

#### No US-China war

**Thayer 13** – Southeast Asia regional specialist @ Australian Defence Force Academy [Dr. Carlyle A. Thayer (PhD in International Relations from The Australian National University), “Why China and the US won’t go to war over the South China Sea,” East Asia Forum, May 13th, 2013, pg. http://www.eastasiaforum.org/2013/05/13/why-china-and-the-us-wont-go-to-war-over-the-south-china-sea/

Even before Washington announced its official policy of rebalancing its force posture to the Asia Pacific, the United States had undertaken steps to strengthen its military posture by deploying more nuclear attack submarines to the region and negotiating arrangements with Australia to rotate Marines through Darwin.Since then, the United States has deployed Combat Littoral Ships to Singapore and is negotiating new arrangements for greater military access to the Philippines.

But these developments do not presage armed conflict between China and the United States. The People’s Liberation Army Navy has been circumspect in its involvement in [South China Sea territorial disputes](http://www.eastasiaforum.org/2012/06/14/china-s-non-confrontational-assertiveness-in-the-south-china-sea/" \t "_blank), and the United States has been careful to avoid being entrapped by regional allies in their territorial disputes with China. Armed conflict between China and the United States in the South China Sea appears unlikely.

Another, more probable, scenario is that both countries will find a modus vivendi enabling them to collaborate to maintain security in the South China Sea. The Obama administration has repeatedly emphasised that its policy of rebalancing to Asia is not directed at containing China. For example, Admiral Samuel J. Locklear III, Commander of the US Pacific Command, [recently stated](http://www.pacom.mil/media/news/2013/02/08-adm-locklear-us-indonesia-society-resilience-asia-pacific-rebalance.shtml" \t "_blank), ‘there has also been criticism that the Rebalance is a strategy of containment. This is not the case … it is a strategy of collaboration and cooperation’.

However, a review of past US–China military-to-military interaction indicates that an agreement to jointly manage security in the South China Sea is unlikely because of continuing strategic mistrust between the two countries. This is also because the currents of regionalism are growing stronger.

As such, a third scenario is more likely than the previous two: that China and the United States will maintain a relationship of cooperation and friction. In this scenario, both countries work separately to secure their interests through multilateral institutions such as the East Asia Summit, the ASEAN Defence Ministers’ Meeting Plus and the Enlarged ASEAN Maritime Forum. But they also continue to engage each other on points of mutual interest. The Pentagon has consistently sought to keep channels of communication open with China through three established bilateral mechanisms: Defense Consultative Talks, the Military Maritime Consultative Agreement (MMCA), and the Defense Policy Coordination Talks.

On the one hand, these multilateral mechanisms reveal very little about US–China military relations. Military-to-military contacts between the two countries have gone through repeated cycles of cooperation and suspension, meaning that it has not been possible to isolate purely military-to-military contacts from their political and strategic settings.

On the other hand, the channels have accomplished the following: continuing exchange visits by high-level defence officials; regular Defense Consultation Talks; continuing working-level discussions under the MMCA; agreement on the ‘7-point consensus’; and no serious naval incidents since the 2009 USNS Impeccable affair. They have also helped to ensure continuing exchange visits by senior military officers; the initiation of a Strategic Security Dialogue as part of the ministerial-level Strategic & Economic Dialogue process; agreement to hold meetings between coast guards; and agreement on a new working group to draft principles to establish a framework for military-to-military cooperation.

So the bottom line is that, despite ongoing frictions in their relationship, the United States and China will continue [engaging with each other.](http://www.eastasiaforum.org/2012/12/17/seizing-the-opportunity-to-improve-us-china-relations/" \t "_blank) Both sides understand that military-to-military contacts are a critical component of bilateral engagement. Without such interaction there is a risk that mistrust between the two militaries could spill over and have a major negative impact on bilateral relations in general. But strategic mistrust will probably persist in the absence of greater transparency in military-to-military relations. In sum, Sino-American relations in the South China Sea are more likely to be characterised by cooperation and friction than a modus vivendi of collaboration or, a worst-case scenario, armed conflict.

# Ext Sink – Snowden

#### Snowden issue is personal for Obama. His influence over China is extremely limited

**Lerer 13** [Lisa Lerer, “China’s Snowden response shows Obama’s limitations,” Arab News, Wednesday 3 July 2013, pg. http://www.arabnews.com/news/456875

The abrupt departure from Hong Kong of Edward Snowden, the former national security contractor accused of revealing US surveillance programs, with the consent of Chinese authorities, embarrassed Obama and other American officials.  
“The president takes it personally,” said Bonnie Glaser, a senior Asia adviser at the Center for Strategic and International Studies in Washington. “There was agreement that this relationship would move forward in a personal way. I think the president probably feels burned.” That incident underscores the limited pull Obama has over a country that’s increasingly intertwined with US economic fortunes, says Nicholas Lardy, an expert on the Chinese economy at the Peterson Institute for International Economics in Washington. “Snowden is just one more example of where we can’t call the shots,” says Lardy.  
The first test of whether Snowden’s case has caused significant damage to the Sino-US relationship will come next week, when Treasury Secretary Jack Lew and Secretary of State John Kerry lead talks with top Chinese officials in Washington.  
The fifth Strategic and Economic Dialogue will take place as part of Obama’s so-called Asia pivot, in which he’s seeking to redirect the US diplomatic focus to the Far East. The Chinese view the increasing attention as an effort to contain their military and economic rise.  
The two nations alternatively cooperate and compete for global wealth and influence. Bilateral trade grew to $ 536 billion last year, and China’s $ 1.26 trillion in Treasury holdings makes it the US’s largest foreign creditor. While they have struggled over currency issues and China’s growing military assertiveness in the South China Sea, they’ve shown signs of mutual interest on issues like climate change and containing North Korea’s nuclear program.  
China’s economic rise is intensifying friction over military issues. Though Chinese defense spending is still dwarfed by US outlays, the People’s Liberation Army’s clout is raising concern in the US and with Asian allies. The military buildup, largely directed at dominating regional waters, comes as Chinese territorial claims with Japan, Vietnam and the Philippines have grown bolder.  
Topping the issues on the Obama administration’s agenda for next week’s meeting, though, is cybersecurity, a topic the president has repeatedly highlighted as an American concern and one that has been complicated by the Snowden episode.  
The president has urged China to agree to what he calls “norms” of behavior on cyber issues. During last month’s talks in California, he detailed for Xi episodes involving Chinese theft of American intellectual property. US officials argued that reports linking hacking attacks on American corporate and government sites to a Chinese military unit gave them the upper hand in negotiations.  
“We’ve had increasingly direct conversations with the Chinese,” said Tom Donilon, Obama’s national security adviser at the time of the meeting, told reporters afterward. “It is now really at the center of the relationship.” With Snowden now formally applying for political asylum in Russia as more revelations appear in the media, the administration’s arguments may become increasingly difficult to make to the Chinese as they’ve become even for US allies.  
“The message has been muddled as a result of the whole Snowden affair,” said Glaser. “This is going to be a problem for the administration.” Adding to the difficulty was a German magazine article this week that said the US is spying on European diplomats, a report that sparked concern among European politicians and prompted Obama to say his staff will review the matter.  
Obama, winding up a trip to Africa, declined to say Monday whether the article in Der Spiegel, which cited classified documents in Snowden’s possession, is true. He said “every intelligence service” in the world uses its resources to try “to understand the world better.” Chinese officials have seized on Snowden’s revelations about surveillance to argue that the US is engaging in exactly the type of behavior it criticizes abroad.  
“The United States, which has long been trying to play innocent as a victim of cyberattacks, has turned out to be the biggest villain,” wrote Xinhua, the state-run Chinese news agency, in a commentary. The US owes “an explanation to China and other countries it has allegedly spied on,” it said.

#### Cyberattack will undermine relations

**Financial Express 13** [“Massive cyber-attacks threatens US-China relations: Lawmaker,” Jun 27 2013, 09:50 IST, pg. http://www.financialexpress.com/news/massive-cyberattacks-threatens-uschina-relations-lawmakers/1134538/1

Top American lawmakers and experts have warned that the massive cyber-hacking emanating from China seriously threatens the bilateral relationship and urged the Obama administration to take all necessary measures to counter the threat.

"We've seen in the last few years it's not only American companies that are the targets, it's media and it's human rights organisations - something particularly important to Congressman Smith and me. Journalist writing about corruption in China find their computer systems hacked and their passwords stolen," Senator Sherrod Brown said during a Congressional hearing yesterday.

"For human rights organisations and activists dealing with hacking attacks from China is almost a daily fact of life. We can't sit idly by. That's why I support a comprehensive common sense bipartisan approach to hold China accountable," he said. "With the growing prevalence of computer networks in America's heavily wired economy, cyber-attacks represent an increasingly growing threat alongside more traditional forms of intellectual property theft. China simply doesn't play by the same rules as we do. Chinese governments deny these attacks even though there is evidence of Chinese involvement," he added.

Cyber-attacks on Congress are only a small, but not insignificant part of a much larger pattern of attacks that have targeted the executive branch, the Pentagon and American businesses," Congressman Christopher Smith said in his remarks, alleging that his own computers have been hacked by sources originating in China. Senator Carl Levin said reports submitted to the US government indicates China to be the worst offender by far. "As far back as 2011, the National Counterintelligence Executive said in its annual report to Congress to, quote, "Chinese actors," are the world's most active and persistent perpetrators of economic espionage," he said.

# Extend Selko & Vinas – Nearshre now

#### Nearshoring allows companies to effectively deal with global competition.

**Selko & Vinas 12** [Adrienne Selko & Tonya Vinas, “Nearshoring Fuels Mexican Manufacturing Growth,” Industry Week, Mar. 10, 2012, pg. http://www.industryweek.com/global-economy/nearshoring-fuels-mexican-manufacturing-growth

In fact, Mexico helps multinational firms cope with a variety of factors stemming from intense global competition, says Arnold Matlz, an associate professor at the W.P. Carey School of Business, Arizona State University. They include the pressure to reduce and control operating costs, the need for operational flexibility, the need for different service outcomes for different customers, and shorter product/service development cycles.

To date, manufacturers operating in Mexico have been largely shielded from the drug-related violence. "As reports have indicated, Mexico's violence is characteristically cartel versus cartel. It is something that has not had a very large amount of leakage into civil society, nor has it affected, in a noticeable way, the companies that are already doing business there. As a matter of fact, in spite of what is in the news, Mexico's manufacturing economy is humming along," says Steve Colantuoni, director of corporate marketing for the Offshore Group. "Companies that are already in Mexico are increasing their numbers and their production."

Foreign direct investment in Mexico rose 9.7% in 2011 compared to 2010 to reach $19.44 billion, indicating that violence is not chasing away dollars. This faith in Mexico is helping to fuel strong economic growth there. After a 5.5% growth rate in 2011, the Mexican economy is expected to grow 4.5% in 2012. Manufacturing has been a significant driver of the economy, growing 8% over the past year and creating 1.8 million jobs.

#### Labor is the driving force. Their plan is irrelevant

**Selko & Vinas 12** [Adrienne Selko & Tonya Vinas, “Nearshoring Fuels Mexican Manufacturing Growth,” Industry Week, Mar. 10, 2012, pg. http://www.industryweek.com/global-economy/nearshoring-fuels-mexican-manufacturing-growth

Another consideration for Meador was the available labor source in Mexico. The average age in Mexico is 29, which means it is one of the youngest nations on the planet. Every year, 90,000 engineers graduate from Mexican universities -- three times the number who graduate from U.S. schools. This contrasts to the company's Minnesota location, where there is a shortage of skilled labor.

It is not only the skilled labor but also the low cost of investing that attracted Scott Livingston, CEO of Horst Engineering, to the region. "New England is a good area for knowledge, but it is a high-cost environment," says Livingston. East Hartford, Conn.-based Horst, a contract manufacturer of precision components and assemblies, has been in Sonora since 2006.

"We looked at environments all over the world and came back to the aerospace-manufacturing-in-Mexico option," Livingston explains. "We felt that for a high-mix, low-volume product in a high-precision environment with a significant North American customer base, that it would give us significant opportunity -- opportunity to transfer some product that we may not have been as competitive on in the U.S. that we were doing for existing customers; and it would give us access to a new labor pool that was manufacturing-oriented. We've seen considerable shrinkage of the manufacturing labor force in Connecticut, and we're training people from scratch here anyway. So we figured we could do that in Mexico."

# 1nc – ECPA Frontline

#### ZERO chance they improve relations. Downing of Morales plane will be the defining moment of US-Latin American relations for Obama

**Kinzer 13** – Former New York Times reporter [[Stephen Kinzer](http://www.guardian.co.uk/profile/stephenkinzer), “Latin America sees US diverting Morales' plane as Yankee imperialism,” [guardian.co.uk](http://www.guardian.co.uk/), Friday 5 July 2013 10.52 EDT, pg. http://www.guardian.co.uk/commentisfree/2013/jul/05/latin-america-us-morales-imperialism

In its eagerness to capture the fugitive leaker [Edward Snowden](http://www.guardian.co.uk/world/edward-snowden), the [Obama administration](http://www.guardian.co.uk/world/obama-administration) has taken a step that will resound through Latin American history.

On Tuesday, in a still unclear sequence of events, an airplane carrying President [Evo Morales](http://www.guardian.co.uk/world/evo-morales) of Bolivia was diverted from its flight path and forced to land in [Austria](http://www.guardian.co.uk/world/austria). Morales was on his way home from a visit to Moscow, during which he had suggested that Bolivia might grant Snowden asylum.

Someone – almost certainly in Washington – arranged for France, Italy, and Portugal to deny his plane use of their airspace. It was forced to land for refueling in Austria, and was allowed to proceed only after Austrian security officers determined that Snowden was not aboard.

Such an act would have stirred anger if it had been aimed at any president, but in Latin America, it has a special resonance. Conflict with the [United States](http://www.guardian.co.uk/world/usa) is one of the overwhelming facts of Latin American history. Morales is one of several regional leaders who have won elections by promising to pull their countries out of Washington's orbit.

Some of those leaders reacted angrily to the downing of Morales's plane. President [Rafael Correa](http://www.guardian.co.uk/world/rafael-correa) of Ecuador called it an "affront to all America". President Cristina Fernandez de Kirchner of Argentina condemned it as a **relic of "colonialism** that we thought was completely overcome".

If it becomes clear that the United States was behind this action – it has not yet admitted responsibility – this incident will go down in history as the **defining episode** of US-Latin America relations during the Obama administration. It suggests that the United States still considers Latin American countries less than fully sovereign. Nothing angers people in those countries more. It is what they call "Plattismo".

That is a reference to the [Platt Amendment of 1901](http://en.wikipedia.org/wiki/Platt_Amendment), which recognized Cuba as an independent country but required that it enter into no treaty and incur no foreign debts without permission from Washington, and also that it recognize the right of the United States to intervene in Cuba at will.

The Platt Amendment was abrogated in 1934, but in the eyes of many Latin Americans, it still seems to define Washington's understanding of their continent. That view was immeasurably strengthened this week.

In Washington, the attempt to capture Snowden by forcing down Morales's plane may have been seen as nothing more than a clever gamble. Latin Americans take it far more seriously. To them, it is a brutally humiliating blow that recalls memories of a century and a half of intervention.

This episode has greatly strengthened Morales and other Latin American leaders who are critical of the United States. It makes their anti-Yanqui rhetoric seem newly credible. It has even, ironically, made Snowden a Latin American hero. Any president who offers him asylum will bathe in a wave of continent-wide admiration.

**No eco-collapse**

**Ridley 12** - Columnist for The Wall Street Journal [Matt Ridley, “Apocalypse Not: Here’s Why You Shouldn’t Worry About End Times,” Wired.com, August 17, 2012 |   6:30 am | pg. http://www.wired.com/wiredscience/2012/08/ff\_apocalypsenot/all/

Over the past half century, **none** of our threatened eco-pocalypses have played out as predicted. Some came partly true; some were averted by action; some were wholly chimerical. This raises a question that many find discomforting: With a track record like this, why should people accept the cataclysmic claims now being made about climate change? After all, 2012 marks the apocalyptic deadline of not just the Mayans but also a prominent figure in our own time: Rajendra Pachauri, head of the Intergovernmental Panel on Climate Change, who said in 2007 that “if there’s no action before 2012, that’s too late … This is the defining moment.”

So, should we worry or not about the warming climate? It is far too binary a question. The lesson of failed past predictions of ecological apocalypse is not that nothing was happening but that the **middle-ground possibilities** were too frequently excluded from consideration. In the climate debate, we hear a lot from those who think disaster is inexorable if not inevitable, and a lot from those who think it is all a hoax. We hardly ever allow the moderate “lukewarmers” a voice: those who suspect that the net positive feedbacks from water vapor in the atmosphere are low, so that we face only 1 to 2 degrees Celsius of warming this century; that the Greenland ice sheet may melt but no faster than its current rate of less than 1 percent per century; that net increases in rainfall (and carbon dioxide concentration) may improve agricultural productivity; that **ecosystems have survived** sudden temperature lurches before; and that adaptation to gradual change may be both cheaper and less ecologically damaging than a rapid and brutal decision to give up fossil fuels cold turkey.

We’ve already seen some evidence that **humans can forestall warming-related catastrophes**. A good example is malaria, which was once widely predicted to get worse as a result of climate change. Yet in the 20th century, malaria retreated from large parts of the world, including North America and Russia, even as the world warmed. Malaria-specific mortality plummeted in the first decade of the current century by an astonishing 25 percent. The weather may well have grown more hospitable to mosquitoes during that time. But any effects of warming were more than counteracted by pesticides, new antimalarial drugs, better drainage, and economic development. Experts such as Peter Gething at Oxford argue that these trends will continue, whatever the weather.

Just as policy can make the climate crisis worse—mandating biofuels has not only encouraged rain forest destruction, releasing carbon, but driven millions into poverty and hunger—technology can make it better. If plant breeders boost rice yields, then people may get richer and afford better protection against extreme weather. If nuclear engineers make fusion (or thorium fission) cost-effective, then carbon emissions may suddenly fall. If gas replaces coal because of horizontal drilling, then carbon emissions may rise more slowly. **Humanity is a fast-moving target.** We will combat our ecological threats in the future by innovating to meet them as they arise, not through the mass fear stoked by worst-case scenarios.

#### Pena Nieto is focused on internal issues. The plan will go unnoticed

**STRATFOR 13** [“Evolving U.S.-Mexico Relations and Obama's Visit,” May 2, 2013 | pg. http://www.stratfor.com/analysis/evolving-us-mexico-relations-and-obamas-visit

When U.S. President Barack Obama travels to Mexico on May 2, he will arrive amid a period of sweeping transformation in the country. Embroiled in [myriad political battles](http://www.stratfor.com/video/banking-reform-hold-mexico) and seeking to implement [an extensive slate of national reforms](http://www.stratfor.com/analysis/mexico-telling-reform-package), Mexican President Enrique Pena Nieto's administration has been focused almost solely on internal affairs. Meanwhile, after years of delay, the U.S. Congress has been debating gun control and immigration reform -- two issues of serious interest to the Mexican government.

#### Adjusting the political image is not enough. Latin American interests are too diverse

**Sabatini 13** – Senior Director of Policy @ Americas Society -Council of the Americas [[Christopher Sabatini](http://www.as-coa.org/bio/christopher-sabatini), “Will Latin America miss U.S. hegemony?,” [Journal of International Affairs](http://www.thefreelibrary.com/Journal+of+International+Affairs-p22769), Spring/Summer 2013 pg. http://www.thefreelibrary.com/Will+Latin+America+miss+U.S.+hegemony%3F-a0330143504

Many saw the election of an African-American president as a way to restore U.S. moral and political standing in the hemisphere. However, President Barack Obama and his team found a changed hemisphere in which disputes with the gringos to the north were more than just an easy way of scoring populist points. For the countries that made up ALBA, there were genuine policy disputes that challenged U.S. interests beyond ideology. Moreover, the region itself had become more diverse, with competing and conflicting needs and interests from the market-friendly policies of Chile to the knee-jerk insecurity of Argentina and the growing diplomatic assertiveness of Brazil. Readjusting the political image of the United States was not enough given the political and ideological shifts that had started in 1998; the power equation within the hemisphere had shifted.

# Ext Kinzer – Morales’ plane

#### The plan can’t overcome this issue. It is perceived as an attack on all Latin American nations and they will not let the issue die

**Parks & Arostegui 13** [KEN PARKS and MARTIN AROSTEGUI “South American Leaders Want European Apologies Over Blocking of Bolivian Plane,” Wall Street Journal, Updated July 5, 2013, 3:17 a.m. ET, pg. http://online.wsj.com/article/SB10001424127887323899704578586463809455122.html

The Union of South American Nations demanded explanations and apologies from several European nations for the forced layover in Vienna this week of Bolivian President Evo Morales, who was wrongly suspected of harboring U.S. National Security Agency leaker [Edward Snowden](http://topics.wsj.com/person/S/Edward-Snowden/7461) on his plane.

The 12-member regional body known as Unasur issued a joint declaration aimed primarily at France, Portugal, Italy and Spain following an emergency summit Thursday in the Bolivian city of Cochabamba.

The incident violated the rights of all Latin American nations and established a "dangerous precedent" under international law, said Bolivia's Foreign Minister David Choquehuanca, tasked with reading the statement.

Mr. Morales found himself playing a leading role in the Snowden saga after he told Russian television that his government would consider granting asylum to the U.S. fugitive if a request were made. The Bolivian leader spent almost 14 hours in the Vienna airport after France and Portugal denied his plane authorization to fly over their territory as he returned home from a summit of gas exporters in Moscow.

The Bolivian government accused the European countries of caving in to U.S. pressure by refusing flight permission to Mr. Morales' jet based on rumors that Mr. Snowden was traveling with the president.

"My only sin is that I'm indigenous and anti-imperialist; for questioning those economic policies planned and implemented by politicians that just starve us to death," Mr. Morales said at the Unasur summit.

French Foreign Minister Laurent Fabius apologized to Bolivia Wednesday, saying there was "never any intention to block the access to our air space," while Portuguese officials said they had withdrawn permission to refuel in Lisbon "due to technical reasons."

Unasur members will discuss the responses to its demands and possible further measures at next week's summit of the regional Mercosur trade bloc in Uruguay, Venezuelan President Nicolás Maduro said.

"South America and Latin America deserve answers and explanations—more than explanations, apologies—to reestablish a relationship," Mr. Maduro said.

#### Downing of Morales’ plane is seen as the worst form of US imperialism

**Shahriari 13** [Sara Shahriari, “Bolivia now has even less to lose in sheltering Snowden,” Christian Science Monitor, July 3, 2013, pg. http://www.csmonitor.com/World/Americas/2013/0703/Bolivia-now-has-even-less-to-lose-in-sheltering-Snowden-video

Bolivia's defense minister, Rubén Saavedra, said the US government was behind the grounding of the plane, calling it an act of "threat and intimidation" following Morales's statement Tuesday that he would consider an asylum request from Snowden.

The situation is drawing anger and condemnation from Bolivia and its allies across Latin America, who see this as a breach of diplomatic protocol and a double standard.

Regardless of what one thinks of Snowden, from the point of view of many Latin American governments, this is imperialism at its worst,” says Coletta Youngers, a senior fellow at the Washington Office on Latin America, in an e-mail.

"A diplomatic plane with a president on board, diverted from its route and then searched – it is precisely the kind of mistreatment that the Bolivian government has rejected in its bilateral relations with the [United States](http://www.csmonitor.com/tags/topic/United+States" \o "Title: United States" \t "_self)," she says. "This would not happen to President Obama’s plane; why should diplomatic protocol be shunned for President Morales?"

# Ext STRATFOR – Internal focus

#### Pena Nieto focused on his domestic agenda

**STRATFOR 13** [“Evolving U.S.-Mexico Relations and Obama's Visit,” May 2, 2013 | pg. http://www.stratfor.com/analysis/evolving-us-mexico-relations-and-obamas-visit

As the first member of Mexico's Institutional Revolutionary Party to win the presidency this century, Pena Nieto has set about [reconsolidating the party's control](http://www.stratfor.com/analysis/mexico-consolidating-control-amid-reforms) over the government while attempting to turn attention away from the country's entrenched security issues and toward [its economic opportunities](http://www.stratfor.com/analysis/mexico-new-manufacturing-heartland). The [pace of reform and political cooperation](http://www.stratfor.com/analysis/mexicos-election-spurs-policy-shifts) since the new government was elected July 1 has been unusually high for Mexico.

Labor and education overhauls passed through the legislature relatively easily, and banking reforms intended to broadly increase access to credit are set to be proposed once the legislature reconvenes in September. The administration still has an aggressive to-do list remaining, with planned overhauls ranging from the telecommunications and energy sectors to issues such as taxation. The majority of the reforms has been structural in nature and driven by economic imperatives, representing a notable shift in tempo and character from the previous government, which saw its legislative efforts largely stall for years prior to the 2012 election.

# Ext Sabatini – Too diverse

#### Interest are too diverse for the plan to be a sufficient boost in overall US- Latin American relations

**Ben-Ami 13** [[Shlomo Ben-Ami](http://www.timesofoman.com/MorefromColumnists/Author-132.aspx), “[Is US losing Latin America?](http://www.timesofoman.com/Columns/Article-1173.aspx),” Times of Oman, June 18, 2013, 7 : 26 am, pg. http://www.timesofoman.com/Columns/Article-1173.aspx

Yet it would be a mistake to regard Latin America's broadening international relations as marking the end of US pre-eminence. Unlike in the bygone era of superpowers and captive nations, American influence can no longer be defined by the ability to install and depose leaders from the US embassy. To believe otherwise is to ignore how international politics has changed over the last quarter-century.

A continent once afflicted by military takeovers has slowly but surely implanted stable democracies. Responsible economic management, poverty-reduction programmes, structural reforms, and greater openness to foreign investment have all helped to generate years of low-inflation growth. As a result, the region was able to withstand the ravages of the global financial crisis  
The US not only encouraged these changes, but has benefited hugely from them. More than 40 per cent of US exports now go to Mexico and Central and South America, the US's fastest-growing export destination.   
Mexico is America's second-largest foreign market (valued at $215 billion in 2012). US exports to Central America have risen by 94 per cent over the past six years; imports from the region have risen by 87 per cent. And the US continues to be the largest foreign investor on the continent. American interests are evidently well served by having democratic, stable, and increasingly prosperous neighbours.  
This new reality also demands a different type of diplomacy – one that recognises the diverse interests of the continent. For example, an emerging power such as Brazil wants more respect on the world stage.   
Obama blundered when he dismissed a 2010 deal on Iran's nuclear programme mediated by Brazil and Turkey (despite having earlier endorsed the talks). Other countries might benefit from US efforts to promote democracy and socioeconomic ties, as Obama's recent trips to Mexico and Costa Rica show.  
Gone are the days when military muscle and the politics of subversion could secure US influence – in Latin America or anywhere else. A world power today is one that can combine economic vigour and a popular culture with global outreach on the basis of shared interests. The US is better positioned than any other power in this respect, particularly when it comes to applying these advantages in its immediate vicinity.

#### Improved relations is a lost cause. US can’t compete with regional powers

**Sabatini 13** – Senior Director of Policy @ Americas Society -Council of the Americas [[Christopher Sabatini](http://www.as-coa.org/bio/christopher-sabatini), “Will Latin America miss U.S. hegemony?,” [Journal of International Affairs](http://www.thefreelibrary.com/Journal+of+International+Affairs-p22769), Spring/Summer 2013, pg. http://www.thefreelibrary.com/Will+Latin+America+miss+U.S.+hegemony%3F-a0330143504

The United States' reduced ability to unilaterally get what it wants in the hemisphere is already shaping Latin American countries' calculations of domestic and foreign policies and the formation of multilateral alliances. The last ten years have witnessed the emergence of regional and multilateral powers seeking to assert regional diplomatic power, if not to specifically reduce the role of the United States in intra-regional diplomacy. The most obvious and pointed example is the Bolivarian Alliance for the Peoples of our Americas (ALBA) formed by former President of Venezuela Hugo Chavez, which includes [Bolivia, Cuba](http://encyclopedia.thefreedictionary.com/Bolivia%2c+Cuba), Ecuador, Nicaragua, and Venezuela among others in a bloc vowed to oppose a now-defunct plan to establish a hemisphere-wide free-trade agreement. At the same time, as its economy rebounded quickly and strongly from the 2007 global financial crisis until 2012, Brazil has sought a greater regional and even global role, exerting its new-found diplomatic and economic muscle, often as an alternative to U.S. influence in matters as diverse as the threat of political upheaval in Venezuela to the UN drive to sanction Iran for its nuclear ambitions. (3)

# 1nc – Solvency Frontline

#### Lack of funding prevents them from solving. Squo proves

**Lee & Wilson 12** - Associate Director @ North American Center for Transborder Studies (NACTS), Arizona State University & Associate @ Mexico Institute of the Woodrow Wilson International Center for Scholars [Erik Lee & Christopher E. Wilson, “The State of Trade, Competitiveness and Economic Well-being in the U.S.-Mexico Border Region,” Working Paper Series on the State of the U.S.-Mexico Border, June 2012

One of the most obvious and often cited ways to reduce congestion at the POEs is to update and expand border crossing infrastructure, and credit is certainly due to U.S. government and border communities for significant recent advances. After a decade with no new ports of entry built, three new crossings were opened in 2010: Anzalduas, San Luís II, and Donna-Rio Bravo.13 In 2011, seven new lanes were opened on the World Trade Bridge, the most important crossing point for commercial traffic between the United States and Mexico. Significant expansions are also underway at San Ysidro, the most trafficked crossing for individuals, and at Nogales-Mariposa. Despite these important advances, much work remains to be done. Average U.S. land POEs are more than forty years old, with some over seventy years old.14 Customs and Border Protection believes that “federal appropriations have not kept pace with needs,” noting $6 billion dollars of investment are needed to “fully modernize” the land ports of entry along the United States southern and northern borders. pg. 17-18

#### Poor lending practices

**AP 01** [Associated Press, “NADBank admits poor lending record,” Published: Tuesday, August 14, 2001, pg. http://lubbockonline.com/stories/081401/upd\_075-5743.shtml

BROWNSVILLE, Texas {AP}— Officials the North American Development Bank, a U.S.-Mexico development bank set up under the North American Free Trade Agreement, admit they have failed to met their goal of funding key environmental projects near the border.

"We are the first to admit our lending record is very, very, poor. Yes, in a sense we have failed miserably but that's because of the interest-rate situation. It has been that way since we were set up," Jorge Garcs, deputy-managing director at the San Antonio-based NADBank, told the Brownsville Herald in Tuesday's editions.

NADBank has loaned only $11 million out of an authorized $3 billion in its five years in existence.

"We are well aware of our constraints and are hoping to see some modifications to make more loans available."

The funding is used to help communities within 100 kilometers on either side of the border with water and wastewater projects.

Critics blame a combination of high interest rates, poor management and federal bureaucracy for the banks performance. They are urging Presidents Bush and Fox to overhaul the institution when they discuss the issue in Washington in September.

Officials from NADBank and its sister organization, the Border Environmental Cooperation Commission, met in Washington last week to hammer out new loan guidelines in advance of the Bush-Fox summit but could not reach agreement.

Officials from the bank say they have only $350 million in cash to lend right now, not the $3 billion in capitalization pledged by the U.S. and Mexico, but admit they are not meeting the challenge presented by border communities.

"It's clear there's been a fatal flaw in the execution of their mandate," said Raul Hinojosa-Ojeda, a UCLA professor who, as an adviser to President Clinton, helped draft the rules of the banks lending process.