Chinese Modernization

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The link cards on the disad aren’t phenomenal, but they’re very intuitive.

Cut me: http://www.defense.gov/pubs/pdfs/China\_Military\_Report\_08.pdf

Case Stuff

Their impact is a lie—China’s been modernizing for twenty years.

Jayshree Bajoria, Staff Writer, February 4, 2009, *Council of Foreign Relations*, “Countering China's Military Modernization,” <http://www.cfr.org/publication/9052/countering_chinas_military_modernization.html> cp

China has been steadily building up its strategic and conventional capabilities since the 1990s. Eighteen years ago, experts say, China had a "bare-bones" military: basic capabilities, but nothing sophisticated or top-of-the-line. But two decades of double-digit spending increases have changed that picture. China says its 2008 defense budget is $61 billion, though the Pentagon has historically challenged Beijing's reported figures. In its annual report to Congress, the U.S. Defense Department estimated China's total military-related spending for 2007 to be between $97 billion and $139 billion, as compared to $52 billion reported by China. All that spending has gone to building a sophisticated, modern military: a large, increasingly capable submarine fleet, an air force stocked with Russian warplanes, and technical strides which have improved China's ballistic missile arsenal, as well as satellite surveillance, radar, and interception capabilities.

Tons of other regional powers are also modernizing—each is an alt cause.

Jayshree Bajoria, Staff Writer, February 4, 2009, *Council of Foreign Relations*, “Countering China's Military Modernization,” <http://www.cfr.org/publication/9052/countering_chinas_military_modernization.html> cp

Japan: Japan and China compete over a host of issues, from regional security to international trade to access to energy. The two countries have a centuries-old history of conflict, including two Sino-Japanese wars that began in 1894 and 1931, and a bloody Japanese occupation of China during World War II. As this Backgrounder points out these animosities surface in recurring cycles, often involving Chinese anger over Japan's perceived lack of contrition for wartime crimes. But concrete territorial and economic issues also aggravate the relationship, including Japan's close alliance with the United States, trade frictions, and ongoing disputes over ownership of various islands in the East China Sea. In 2007, China and Japan ranked third and fifth respectively in national defense expenditures (PBS), both spending only a small fraction of the U.S. budget even after adjusting for gross underreporting by Beijing. China's military modernization fuels Japanese fears that China will use its growing economic leverage and military prowess to throw its weight around and dominate the region. Tanaka Akihiko of the University of Tokyo, speaking at a December 2008 CFR symposium on U.S.-Japan relations said China's growing military forces might change the balance of power in East Asia, which "would necessitate for Japan and the United States to readjust its force structure and other military management."

Japan has significantly upgraded capabilities over the past 15 years, deploying the Aegis radar and accompanying missile systems for its navy and warplanes armed with advanced air-to-air missiles for its air force. Since 1998, when a North Korean missile test violated Japanese airspace, Toyko has been working in partnership with the United States to develop theater missile defenses which have obvious application in the event of any conflict with China. Over the past decade the U.S.-Japanese security alliance has been strengthened through revised defense guidelines, which expand Japan's noncombatant role in a regional contingency, allows for the deployment of an X-Band radar system in Japan as part of a missile defense system, expands bilateral cooperation in training and intelligence sharing, and allows a nuclear-powered U.S. aircraft carrier in the Yokosuka Naval Base. In September 2007 Japan joined a multinational naval exercise with the United States, Australia, Singapore, and India in the area west of the Malacca Straits. The exercise reinforced the U.S.-led campaign of strengthening security ties among its democratic allies and "the strategic countering (PDF) of Chinese military power," argues a December 2008 U.S. Congressional Research Service report.

In 2005, a joint statement by U.S.-Japan Security Consultative Committee 2005 for the first time included Taiwan as a common strategic objective where the parties would "encourage the peaceful resolution of issues" through dialogue. Though Japan's foreign affairs ministry said this did not change the country's position on Taiwan, many experts believe the shift indicates that Japan is increasingly concerned with China's growing military capabilities.

Taiwan: It is the main driver for China's militarization drive and biggest concern for the United States as this Backgrounder points out. Taiwan is also pursuing modernization goals which include procurement of army attack helicopters, army utility helicopters, PAC-3 missile defense systems, fighter jets, and diesel-electric submarines, as well as transformation of the military. Relations between China and Taiwan have improved dramatically under the administration of President Ma Ying-jeou, although U.S. arms sales to Taiwan remains contentious. In its white paper on national defense, China says the United States continues to sell arms to Taiwan "causing serious harm to Sino-US relations as well as peace and stability across the Taiwan Strait." In October 2008, Beijing suspended military contacts with the United States in protest of the U.S. decision to sell $6.4 billion in defense equipment and services to Taiwan.

South Korea: It has undertaken a major modernization drive, replacing antiquated fighter aircraft, frigates, tanks, and artillery pieces with advanced systems, many of them purchased from the United States or developed in partnership with U.S. defense industries, notes the 2007 CFR report (PDF). However, most experts say South Korea's military initiatives are more in response to a possible conflict with a nuclear North Korea.A thorough look at the status of South Korea's military is contained in CFR's Crisis Guide: The Korean Peninsula.

Russia: The country is China's largest supplier of advanced military hardware as well as a potential great power rival. Moscow experienced a significant decline in its overall military capabilities during the 1990s, but buoyed by strong oil revenues in the past decade, it has been increasing its defense expenditure, in what most experts see as a sign to counter U.S. influence in the region. The 2009 defense budget is expected to be $50 billion, a 25.7 percent increase from previous year. Fedor Lukyanov, chief editor of Russia in Global Affairs, told a January 2009 CFR meeting that there are limits to Russian military cooperation and arms sales to China. "We sold everything we could without making damage to Russian security," he said. CFR's Senior Fellow on Russian and Eurasian Studies, Stephen Sestanovich says Russia's relationship with China is based on the interests of some elites--those in the energy sector, the nuclear power sector, and the arms exports, that see China as an important market.

China and Russia also formed a security alliance to solve border disputes, which has grown into an important regional organization, the Shanghai Cooperation Organization (SCO), and includes Central Asian countries Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. China and Russia have held a number of joint military exercises under the SCO. In October 2007, the SCO also signed a memorandum of understanding with the Collective Security Treaty Organization, a military alliance of several former Soviet states. Some analysts see the SCO as a vehicle for Russia and China to curb U.S. access to the region's vast energy supplies. But others say Russia and China have very different objectives in Central Asia. Russia wants to reassert its regional leadership there, while China seeks energy ties, note some analysts. In 2008, China and Russia resolved (BBC) their last remaining border dispute involving islands in the eastern part of the border which had seen armed clashes between the two sides during the Cold War.

Southeast Asia: Experts say Southeast Asian countries, including Indonesia, the Philippines, and Thailand, are currently calculating whether the political and economic benefits of closer ties with a strong China outweigh the military risks. Bilateral trade between China and all ten countries within the Association of Southeast Asian Nations (ASEAN) is expected to exceed $200 billion in 2008 up from $ 190 billion in 2007. The region is now China's fourth-largest trading partner. Despite the economic windfall, ASEAN countries want the United States to pay more attention to the new security trends in the region, experts say. While these countries are not very vocal about their fears, experts say they are nervously looking over their shoulders at China's military buildup and wondering where it's headed.

Border disputes with some countries also complicate China's relations with its Southeast Asian neighbors. Vietnam and China each assert claims to the Spratly and Paracel Islands, archipelagos in a potentially oil-rich area of the South China Sea. Malaysia, the Philippines, and Taiwan also claim all or part of the South China Sea. China's assertion of "indisputable sovereignty" over the Spratly Islands and the entire South China Sea has elicited concern from Vietnam and its Southeast Asia neighbors, according to the U.S. State Department. Vietnam has been pursuing closer military relations with the United States through joint military exercises, and sharing intelligence on terrorism, drugs, and other transnational threats. Vietnam has also hosted U.S. warships at its ports.

India: It has long-time rivalry with China over disputed borders and these two Asian giants also fought a war in 1962. New Delhi watches Beijing's military buildup closely and has undertaken military reforms of its own. It is currently building a nuclear submarine and is trying to acquire two more aircraft carriers in addition to the one it possesses. It also launched its first unmanned moon mission in October 2008, another step in what many analysts see as a race with China in space. It has also been expanding its military cooperation with the United States. In June 2005, New Delhi and Washington agreed on a new framework for their defense relationship, including increases in defense trade, technology transfers, and joint exercises for the next ten years.

China's close military cooperation with Pakistan also concerns New Delhi. Each country helps the other to check India's power, say experts. China remains a key supplier of arms to Pakistan and in 2008, agreed to help Pakistan build two nuclear power plants. China also supplies Pakistan with nuclear technology and assistance, including what many experts suspect was the blueprint for Pakistan's nuclear bomb. Pakistan's army has both short- and medium-range ballistic missiles that experts say came from China. According to Thomas C. Reed, a former U.S. Air Force secretary, China probably helped Pakistan test a nuclear weapon (Physics Today) inside China in 1990. Reed adds that this weapon was most likely based on a Chinese design.

Central Asia: Several Central Asian countries-- Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan --have forged closer relations with China as part of the Shanghai Cooperation Organization. Experts say tensions in China's western province of Xinjiang is one of the major reasons behind Beijing's eagerness to improve relations with the Central Asian states. Xinjiang is largely made up of Uighurs, predominantly a Muslim community with ties to Central Asia, and China has been concerned that Central Asian states may back a separatist movement in Xinjiang. Beijing also seeks energy ties in the region. Under the SCO, the countries conduct joint military exercises. Problems with their own Muslim fundamentalist groups have led these countries to assist China in its struggle against separatists from Xinjiang, say experts. However, some experts say the Central Asian states still view China and Russia as possible hegemonic powers.

High risk of war with China—military presence is East Asia is key to deterrence.

Dean Cheng, Research Fellow in Chinese Political and Security Affairs in the Asian Studies Center at The Heritage Foundation, May 3, 2010, *The Heritage Foundation*, “Yo-Ho-Ho and a Bottle of … Mao Tai?” <http://www.heritage.org/Research/Reports/2010/05/Yo-Ho-Ho-and-a-Bottle-of-Mao-Tai> cp

What is arguably most worrisome about these exercises, even more than the display of technical capabilities and improved training, is the pace of Chinese military modernization and the lack of transparency on what might be driving this process.

China’s military has not fought a war since 1979, when it engaged the Vietnamese. More to the point, China’s borders and sovereignty are arguably more secure today than at any point since the founding of the People’s Republic in 1949. Yet despite the absence of external pressure or the object lessons from a recent war, the PLA seems to be reforming itself into a much more capable force and is doing so in remarkably short order.

Moreover, China, with its millennia-old civilization, helped define the very concept of bureaucracy. Change does not come easily to large organizations, as there are inevitably objections from those who are comfortable with the status quo. To break down the stovepipes and silos among the services, and to do so quickly and not in response to external pressures, is extraordinary. What could be driving this fundamental shift in PLA capabilities?

Until this issue can be clarified, it is clear that the U.S. and its allies are confronted with a potential challenger in the form of the PLA Navy, which is going to be ever more capable in the coming years. This development has distinct implications for U.S. security commitments to the region, as American support is a function of U.S. ability to control the seas. Furthermore, the sustained operation of regional economies is dependent upon the sea lanes of communications. For the first time since the end of the Cold War, the U.S. Navy faces a robust challenger.

Policy Recommendations

\* Maintain sufficient naval forces. China’s growing naval capabilities, coupled with the end of the assumption that U.S. forces would confront only a part of that navy in any crisis or contingency, highlights the need to revisit the size of the U.S. Navy. In particular, given the long lead times required for the construction of even smaller combatants such as destroyers and nuclear attack submarines, any future growth must be programmed sooner rather than later.

\* Prepare for high-intensity conflict. While Secretary of Defense Robert Gates has reasonably argued that the first priority should be on the wars in which the U.S. is currently engaged, China’s naval growth clearly indicates that there remains a need to prepare for high-intensity conflict. This is especially true for the perishable skills associated with naval warfare, such as open-ocean anti-submarine warfare and strike missions against naval targets. Similarly, the ability to operate in high-threat zones involving advanced air defenses is something that requires constant practice and honing.

\* Cooperate with U.S. regional allies. The Chinese decision to transit the Miyako straits is as much a message to Tokyo as it was a simple navigational issue. Likewise, its operations in the South China Sea are a not so subtle message to the other claimants to that disputed region—particularly the Philippines and Vietnam. The U.S. cannot control the seas without active cooperation from these nations, not only in terms of equipment interoperability but also in terms of contingency planning, doctrinal development, and regular exercises. If the Obama Administration is serious about engaging Asia, then enhancing cooperation with U.S. allies in the region must play a role.

\* Push for transparency. The problem is not that China is building a larger navy. Given its global economic presence and interests, it is inevitable that Beijing should seek the capacity to protect its sea lanes. What is at issue is what China perceives as its maritime goals and what shape China’s maritime strategy assumes. These issues can be determined only through interactions with the Chinese navy, including its institutions for doctrinal development. But such engagement requires a concerted effort on the part of the U.S. and a steady push for more than just photo ops and visits to vessels. The U.S. should be pushing the PRC for greater transparency at sea—and should also have its allies do the same, as they are as much or even more at risk.

A Potential Adversary

The PLAN’s recent exercises along its coasts and into the open Pacific indicate that the Chinese military has made tremendous strides, particularly in its trans-military region and joint operations capacities. Whether these developments pose a threat to U.S. security tomorrow, however, will depend to a large extent on how the Obama Administration responds today.

****NO TIMEFRAME TO THE IMPACT**- **China is slowly modernizing****

The Bulletin, December 8, 2009, <http://www.thebulletin.org/web-edition/features/nuclear-weapons-the-modernization-myth> PK

**China.** Beijing's stockpile consists of approximately 200-250 strategic warheads. It is expanding its nuclear force, but at nowhere near the pace of U.S. intelligence estimates, which [repeatedly have overestimated](http://www.fas.org/sgp/crs/natsec/RL33607.pdf" \t "_blank) PDF the speed and content of China's modernization programs. New Chinese delivery systems include the solid-fueled DF-31 long-range missile; the DF-31A intercontinental ballistic missile, which Beijing began deploying in 2008; and the JL-2, an SLBM variant of the DF-31. Development and deployment of these systems has proceeded at an exceedingly slow pace: China's decision to replace older, liquid-fueled systems with these solid-fueled systems dates back to the 1970s or 1980s, yet it is just now beginning to deploy them. (See ["Engaging China and Russia on Nuclear Disarmament."](http://cns.miis.edu/opapers/op15/op15.pdf" \t "_blank) PDF) Beijing is also thought to be interested in developing multiple independently targetable reentry vehicles for some of its delivery systems, perhaps due in part to concerns about U.S. missile defense.

Heg Disad Link

Jayshree Bajoria, Staff Writer, February 4, 2009, *Council of Foreign Relations*, “Countering China's Military Modernization,” <http://www.cfr.org/publication/9052/countering_chinas_military_modernization.html> cp

China clearly complicates U.S. defense planning in Asia, says CFR's Senior Fellow for China Studies, Adam Segal. The Pentagon's 2008 report to Congress states: "Current trends in China's military capabilities are a major factor in changing East Asian military balances, and could provide China with a force capable of prosecuting a range of military operations in Asia-well beyond Taiwan." Most countries in the region have some degree of caution in their relationship with China, says James Mulvenon, director of Washington-based Center for Intelligence Research and Analysis. However, none of them, he adds, want to engage in any form of containment policy with the United States. Meanwhile, though China is wary of U.S. military presence close to its border, its troubles with Uighurs has led it to support U.S. military actions inside Afghanistan, say experts.

The best way for the United States to ensure that its security interests in the region are not compromised by China's growing military capabilities is to strengthen security alliances with China's neighbors, notes the 2007 Council Task Force report. The report says the United States should better coordinate U.S.-South Korea-Japan security planning, give greater attention to ASEAN, work with ASEAN members to help draw China into constructive security relationships, and pursue a deeper military relationship with India.

Taiwan Conflict Likely/Alt Cause

Taiwan is the most likely scenario for war with China.

Doug Bandow, 1AC Author, Robert A. Taft Fellow at the American Conservative Defense Alliance and senior fellow at the Cato Institute, 6/09/08, “Ending the U.S.-Korea Alliance”, <http://www.nationalinterest.org/Article.aspx?id=17812>//cp

The most likely scenario for conflict between the United States and China involves Taiwan. However, the prospect that Seoul will turn itself into a permanent enemy of a likely superpower with a long memory to help defend Taiwan approximates zero. America's East Asian allies might want Washington to stick around to counterbalance assorted feared states (variously China, Japan and Russia), but have little incentive to put themselves at risk to advance perceived U.S. interests.

AT: Chinese Aggression

Status quo balancing solves.

Doug Bandow, 1AC Author, Robert A. Taft Fellow at the American Conservative Defense Alliance and senior fellow at the Cato Institute, 6/09/08, “Ending the U.S.-Korea Alliance”, <http://www.nationalinterest.org/Article.aspx?id=17812>//cp

America's interests would be best served by the development of a regional balance of power, in which friendly nations act to protect their own interests and constrain the PRC. In 1950 the ROK would have been swallowed had the United States not intervened. In the early succeeding years South Korea could not have defended itself. But those days are long over.

So it is with other countries in the region. Japan is the second-ranking economic power on earth. Australia has taken an active military role in Southeast Asia and the south Pacific. Vietnam has developed a friendly relationship with the United States. India's political influence and military forces now reach into Southeast Asia. All of this makes for a more-complicated world, but also almost certainly a safer one for America.

China Disad 1NC

Chinese growth is slowing—demand for products has been down.

Irish Times 8/11 (Clifford Coonan, 8/11/10, " Tight credit slows growth in China ", http://www.irishtimes.com/newspaper/finance/2010/0812/1224276640732.html) cp

CHINA’S ECONOMY slowed markedly in the second quarter, to 10.3 per cent from 11.9 per cent in the first three months, as the government steadily put the brakes on the pace of credit expansion after last year’s huge stimulus plan.

The Chinese government has made regular public statements about wanting to get growth back down to a more sustainable rate, and it is keen to stop the emergence of a bubble on stock prices and real estate, but the slowdown seemed sharper than expected.

Data on Tuesday showed a sharp drop in import growth, clear evidence that cooling measures are making themselves felt.

In addition,, ongoing fears that recovery in the US and the euro zone is not taking hold are casting a pall over the country’s export sector, which has otherwise remained robust.

July industrial output slowed for a fifth month to 13.4 per cent over a year earlier, its lowest level this year. Retail sales also undershot expectations, while the central bank reported a slowdown in lending and money supply growth.

Despite the accumulation of data showing a cooling economy as the stimulus plan is rolled back, economists still expect full-year growth to outstrip last year’s 9.1 per cent, supported by fast-rising incomes and robust investment spending.

The government has been focusing on slowing down borrowing by local governments and a particular target has been property speculation. The clampdown on the credit boom also hit industrial growth, which slowed further in July, while inflation spiked to its highest level this year as summer flooding wrecked crops but analysts said the increase will likely prove to be temporary.

Wang Tao, China economist at UBS, said the data contained few surprises.

“Fixed investment and industrial production continued to decelerate, CPI inflation rose to 3.3 per cent on higher food prices, but upstream price pressures are receding. We expect no changes in monetary policy and no rate hike this year,” she said.

As expected, the slowdown in July’s urban fixed investment was mainly led by infrastructure and real estate investment, in line with expectation, said Ms Wang, while the slowdown in car sales, as well as energy-efficiency and property-tightening policies, prompted slower growth in heavy industry value added.

History proves taking troops home greatly increases consumer demand—that spurs Chinese growth.

Matt Rosenberg, awarded the Excellence in Media Award from the National Council for Geographic Education, Jun 14 2010, *About.com*, “Baby Boom,” <http://geography.about.com/od/populationgeography/a/babyboom.htm> cp

Young males returning to the United States, Canada, and Australia following tours of duty overseas during World War II began families, which brought about a significant number of new children into the world. This dramatic increase in the number of births from 1946 to 1964 (1947 to 1966 in Canada and 1946-1961 in Australia) is called the Baby Boom.

In the United States, approximately 79 million babies were born during the Baby Boom. Much of this cohort of nineteen years (1946-1964) grew up with Woodstock, the Vietnam War, and John F. Kennedy as president.

In 2006, the oldest Baby Boomers are turning 60 years old, including the first two Baby Boomer presidents, Presidents William J. Clinton and George W. Bush, both born in the first year of the Baby Boom, 1946.

In the 1930s to early 1940s, new births in the United States averaged around 2.3 to 2.8 million each year. In 1945, the number was 2.8 million births; it marked the beginning of the Baby Boom. In 1946, the first year of the Baby Boom, new births in the U.S. skyrocketed to 3.47 million births!

New births continued to grow throughout the 1940s and 1950s, leading to a peak in the late 1950s with 4.3 million births in 1957 and 1961. (There was a dip to 4.2 million births in 1958) By the mid-sixties, the birth rate began to slowly fall. In 1964 (the final year of the Baby Boom), 4 million babies were born in the U.S. and in 1965, there was a significant drop to 3.76 million births. From 1965 on, there was a plunge in the number of births to a low of 3.14 million births in 1973, lower than any year’s births since 1945!

From 1973 on, Generation X was nowhere near a populous as their parents. The total births rose to 3.6 million in 1980 and then 4.16 million in 1990. For 1990 on, the number of births has remained somewhat constant – from 2000 to now, the birth rate has hovered at 4 million annually. It’s amazing that 1957 and 1961 are the peak birth years in raw number of births for the nation even though the total national population was 60% of the current population. Obviously, the birth rate among Americans has dropped precipitously.

The birth rate per 1000 population in 1957 was 25.3. In 1973, it was 14.8. The birth rate per 1000 rose to 16.7 in 1990 but today has dropped to 14.

The dramatic increase in births during the Baby Boom helped to lead to exponential rises in the demand for consumer products, suburban homes, automobiles, roads, and services. Demographer P.K. Whelpton forecast this demand, as quoted in the August 9, 1948 edition of Newsweek.

When the number of persons is rising rapidly it is necessary to prepare for the increase. Houses and apartments must be built; streets must be paved; power, light, water, and sewer systems must be extended; existing factories, stores and other business structures must be enlarged or new ones erected; and much machinery must be manufactured.

And that’s exactly what happened. The metropolitan areas of the United States exploded in growth and led to huge suburban developments, such as Levittown.

That crashes China’s economy—high growth rates are not sustainable.

Japan Times 8/11 (Mamoru Ishida, 8/11/10, " Japan's experience highlights perils for China ", http://search.japantimes.co.jp/cgi-bin/eo20100812a2.html) cp

Until the global financial crisis hit, China had achieved export-led high economic growth by keeping its currency at an undervalued level. It is now abundantly clear that the growth model is not sustainable. The People's Bank of China reinstated the "managed floating exchange rate regime with reference to a basket of currencies" that it had started in 2005 and suspended in 2008, explaining that "a floating exchange rate draws economic resources to sectors driven by domestic demand." China needs to move to a growth model in which external and domestic demands will be better balanced. The basket of currencies is a device to let the yuan move with the currencies of China's major trading partners, not with the dollar.

Can China achieve more balanced economic growth? Let us have a look at Japanese experiences to see the perils China may face.

Japan achieved an export-led high economic growth by keeping the yen at an undervalued level, which resulted in an economic structure of excessive production capacity and insufficient domestic demand. Its trade surplus exceeded a level the international community would tolerate. The yen then excessively appreciated, which drove Japan into an unintended restructuring with two major consequences.

First, Japan's competitiveness as an industrial location deteriorated. As a result, so much production and employment had to move abroad that Japan has lost much of its economic vitality.

Second, because a very expansionary monetary policy failed to stimulate domestic demand, Japan has had to make use of fiscal expenditures year after year for so long that it is now no longer able to achieve even modest economic growth without government expenditures. Public investment in infrastructures contributed to enhancing productivity of the Japanese economy until such investment opportunities were exhausted. Then Japan built airports and ports that see little use. Now the outstanding government debt exceeds 170 percent of GDP.

What is disturbing about China is that People's Bank of China seems determined not to let the yuan significantly appreciate. It declared that "the basis for large-scale appreciation of the yuan exchange rate does not exist" and has been cautiously managing the yuan exchange rate. If the People's Bank of China manages the yuan too cautiously in order to secure immediate economic growth, the yuan exchange rate will not be flexible enough to play its expected role in transforming China's growth model. In that event, China could face three negative consequences.

First, neither the gap between production capacity and domestic demand nor the Sino-American trade imbalance would be sufficiently narrowed. The United States would not cease demanding further yuan appreciation until a concrete result was realized. China could not dispense with the control of capital account transactions and market intervention by the People's Bank of China to keep the yuan stable.

Second, as a result China would not dare to liberalize capital account transactions; namely, China could not internationalize the yuan. As is well known, an internationalized currency is a convertible currency under free capital movements. A world where the currency of the second largest economy remains inconvertible will be entirely different from the world we now know.

Third, excessive dependence on fiscal expenditure could be perpetuated. The Chinese government has succeeded in fighting the impacts of the global financial crisis with massive fiscal measures. China has both financial resources and investment opportunities in infrastructure, such as building a transport network, that will enhance its economic productivity. However, it should not be overlooked that consumption accounts for less than 40 percent of GDP. It is imperative to realize an economic structure with balanced external and domestic demands. Otherwise, China might end up with an economic structure that will require government expenditures to maintain sufficient economic growth, as has been the case with Japan.

China can avoid these perils by making its economy depend less on external demand and more on domestic demand. It is natural for China to make use of other policy alternatives such as ending tax incentives for certain export items or increasing consumption by raising wages, so as to mitigate pressure on the exchange rate. However, the exchange rate remains the central means to transform the economic structure, which it gave rise to in the first place. As a prominent Chinese economist put it, "adjustment of economic growth model is inevitable, and exchange-rate adjustment is the first step."

**<China key to global economy>**

Economic collapse causes World War III.

Michael J Green and Steven P Schrage, Senior Advisor and Japan Chair at the Center for Strategic and International Studies (CSIS) and Associate Professor at Georgetown University and the CSIS Scholl Chair in International Business and a former senior official with the US Trade Representative's Office, State Department and Ways & Means Committee, 3/26/**200**9, Asia Times, http://www.atimes.com/atimes/Asian\_Economy/KC26Dk01.html

Facing the worst economic crisis since the Great Depression, analysts at the World Bank and the US Central Intelligence Agency are just beginning to contemplate the ramifications for international stability if there is not a recovery in the next year. For the most part, the focus has been on fragile states such as some in Eastern Europe. However, the Great Depression taught us that a downward global economic spiral can even have jarring impacts on great powers. It is no mere coincidence that the last great global economic downturn was followed by the most destructive war in human history. In the 1930s, economic desperation helped fuel autocratic regimes and protectionism in a downward economic-security death spiral that engulfed the world in conflict. This spiral was aided by the preoccupation of the United States and other leading nations with economic troubles at home and insufficient attention to working with other powers to maintain stability abroad. Today's challenges are different, yet 1933's London Economic Conference, which failed to stop the drift toward deeper depression and world war, should be a cautionary tale for leaders heading to next month's London Group of 20 (G-20) meeting. There is no question the US must urgently act to address banking issues and to restart its economy. But the lessons of the past suggest that we will also have to keep an eye on those fragile threads in the international system that could begin to unravel if the financial crisis is not reversed early in the Barack Obama administration

Now Key Time

Now’s the key time to make sure Chinese growth has a soft landing.

Xinhua 8/11 (Lu Hui, 8/11/10, " Soft landing ", http://news.xinhuanet.com/english2010/indepth/2010-08/12/c\_13441271.htm) cp

The consumer price index (CPI), a main gauge to measure China's inflation, rose 3.3 percent year on year in July, the National Bureau of Statistics announced here Wednesday. (Xinhua file Photo)

BEIJING, Aug. 12 (Xinhuanet) -- Though China's consumer price index (CPI) rose in July to its highest level this year, runaway inflation is no longer an urgent concern for Chinese policymakers.

It looks more than likely that the Chinese economy will slow down in the next few months as global growth softens.

Policymakers should grab this opportunity to steer growth to a more sustainable level while a benign soft landing is underway.

Ext – Uniqueness

Reuters 8/12 (Zhou Xin, Simon Rabinovitch, 8/12/10, " Slowdown but no meltdown for China's economy in July ", http://www.reuters.com/article/idUSTRE67A4OG20100811) cp

BEIJING (Reuters) - Growth in Chinese investment and factory output slowed further last month as the government brought credit growth back to normal after a record lending spree in 2009 to counter the global financial crisis.

The figures, along with weaker retail sales, add to the picture of softening domestic demand painted on Tuesday by a sharp drop in import growth.

"Industrial output continued to ease, indicating a moderation of economic activities. But a sharp slowdown in economic growth can be ruled out, because resilient household consumption will help compensate for a drop in investment," said Zhu Baoliang, a researcher with the State Information Center, a government think tank in Beijing.

Annual factory output growth slowed to 13.4 percent last month from 13.7 percent in June but beat forecasts of a 13.2 percent rise.

Year-to-date growth in investment in fixed assets such as flats and factories in urban areas slowed to 24.9 percent from 25.5 percent, undershooting forecasts of a 25.2 percent rise.

However, after taking into account wholesale inflation, which dropped to 4.8 percent in the year to July from 6.4 percent in June, real growth on the month was steady, according to Ting Lu, an economist at Bank of America Merrill Lynch.

"China's growth is slowing, but we see no sign of a hard landing," he said.

Sheng Laiyun, a spokesman for the National Bureau of Statistics, which released the data, also struck a note of calm.

He described the slowdown as moderate and a welcome step to a more sustainable model of growth that relies less on energy-intensive heavy industry. China this week ordered the closure of more than 2,000 obsolete, fuel-guzzling factories, steel mills and cement works.

Ext – Link

Military deployment depresses spending.

United Way’s First Call & AFL-CIO Labor Liaison, 2010 (date last modified), MILITARY DEPLOYMENT A guide to help support individuals, families, and communities, <http://www.unitedwayjanesville.org/files/Military%20Deployment.pdf> cp

The deployment of active duty and reserve military personnel has a significant and immediate impact on individuals, families and communities. The massive mobilization of reservists and deployment of troops creates an increase in demand for social services of families who have been dependent on two incomes and must now survive on one. The services most commonly requested include subsidized childcare, counseling and access to loved ones in the military (a result of heightened security measures).

Turns Case 2NC

Chinese growth is the root cause of military modernization.

East Asian Strategic Review, 1AC Author, National Institute for Defense Studies Japan, 2009, Japan Times, pgs 5-6 cp

As the global economic downturn worsened in the fall of 2008, the rapidly growing Chinese economy also began to feel its negative impacts. For China, it is becoming increasingly important to promote cooperative foreign policies that share with international society the burdens of overcoming these kinds of crises. **Chinese defense spending is increasing at a pace commensurate with its economic development. Although China is taking steps to strengthen its military power, the general view is that it is aiming to keep increases in its defense capabilities at levels that do not hinder economic development.** As indicated in debates about the amounts of its military expenditures however, there are concerns in other countries about the "transparency" of the Chinese military situation. To counter these concerns, China is attempting to demonstrate the increase of transparency by publishing a white paper on national defense, opening up its military units and exercises to outside observers, and engaging in exchange programs with foreign militaries.

Impact – Environment

Runaway growth destroys the environment.

USA Today 8/9 (Calum MacLeod, 8/9/10, " China, on cusp of superpower, faces environmental strain ", http://www.usatoday.com/news/world/environment/2010-08-10-China10\_ST\_N.htm) cp

For decades, excessive logging in the Zhouqu area has reduced the vegetation that can prevent landslides, said Wen, and poor planning in the county seat, set deep in the Bailong River valley, allowed multistory buildings to be erected too close to the river, he said.

China's minister of land and resources, Xu Shaoshi, blamed geological factors Monday. Zhouqu is a landslide-prone area, suffering from the aftereffects of the 2008 Sichuan earthquake, drought earlier this year and recent heavy rain, Xu said, according to Xinhua.

Challenging the official view, Fan Xiao, a Sichuan geological survey engineer, told the provincial government's news website that forest destruction, farmland expansion and overdevelopment of hydroelectric power stations should share the blame.

Vegetation damage, land reclamation and hydropower stations have all worsened flooding on the Yangtze River this year, botanist Jiang Gaoming told the Global Times newspaper last week.

Profits before environment

Profits and gross domestic product goals drive local governments and businesses, and "protecting the ecological environment cannot bring them visible profits in the short term," Jiang said. "Some local governments will consider environmental problems seriously only if the central government intervenes."

The Chinese public seems to share such sentiment. Before the latest incident, 82.4% of people polled by China Youth Daily believed the recent floods were caused by human neglect. More than 50% said China lacked a long-term plan for flood prevention.

On top of flooding, China recently has suffered water pollution incidents, including a major oil spill. Water is "perhaps the most serious environmental challenge to China's development," said analyst Ma Jun, who runs a database recording water pollution in China. "Our economic development is still dependent on the expansion of resource- and pollution-intensive industries."

Especially at county levels, China's environmental ministry is understaffed, underpaid and underequipped, Ma said. "They are hamstrung by local officials who are keen to see GDP growth and put it ahead of environmental protection," he said. "It will take time to strengthen enforcement, but we can't wait, our environment can't wait."

As part of efforts to improve the environment and meet energy-efficiency targets, China on Sunday ordered the closing of 2,087 steel and cement mills and other factories with low energy efficiency, according to the Ministry of Industry and Information Technology.

In recent years, China has discussed concepts such as "Green GDP" and the idea of evaluating officials not solely on GDP growth but also using ecological indicators, "but it hasn't happened yet," Wen Bo said. "Those who promote unsustainable development and short-term economic growth get promoted and push aside the ecological agenda," he said. "We need a serious review of what happened this summer. Conserving the natural environment is an investment in your own national assets."

**Pollution causes massive species loss that will result in extinction.**

**The Stanford Daily**, “Pollution causing mass extinction,” March 30, **2004** http://daily.stanford.edu/article/2004/3/30/pollutionCausingMassExtinction

If you thought our basketball season was intense, get ready for March Madness on a mass extinction scale. Right now, the score is 5-1, nature vs. humans. By the time it takes for you to finish that econ problem set, several species may have become extinct. There’s nothing new about this, over 99 percent of the species that ever walked on Earth no longer exist. As a tribute to Disney’s new DVD, the Lion King, **it’s the circle of life playing out before our eyes. Paleontologists have hypothesized that five major extinctions have occurred on Earth, each one responsible for the demise of thousands of species. Two recent studies appearing in the journal Science, published by American Association for the Advancement of Science**, even go so far as to **suggest that** the world could be experiencing another mass extinction**.** The catch is this one is slightly different. It is not asteroids and colder temperature shifts that are to blame but pollution**.** Industry developments have depleted nitrogen — an essential nutritious source — from the soil, creating a fissure in species’ food webs. Scientists from the United Kingdom’s Centre for Ecology and Hydrology found that **the United Kingdom and Central Europe may have already lost 20 percent of their species to nitrogen deposition. Even more frightening**, according to a recent issue of American Scientist magazine, **is the fact that species are becoming extinct at historical rates**. The author of the article, Dr. Donald A. Levin, a botany professor at the University of Texas, claims that **species extinction is occurring about 100-1,000 times more than normal. At this rate**, he calculated that on average, **species are becoming extinct every twenty minutes**! I wonder if any amount of technological progress and global expansion is worth the loss of nearly half of our species in the next hundred years. Just last week, China announced its plan to launch a moon rover in 2012, Japan’s Toshiba Corporation earned a Guinness World Record for creating the world’s smallest disk drive (the size of a stamp) and farmers in St. Louis, Mo., have pooled together to produce the first ready-to-eat beef in a can. At the same time, scientists from the Mauna Loa Observatory in Hawaii also announced record-high carbon dioxide emission levels in the atmosphere. Although not a direct consequence of the aforementioned events, pollution is an inevitable byproduct of our progress. It seems we plow the globe with our novelties in science, architecture, technology, and too many other areas to list, at a cost, a very high cost. As our population numbers and industrial developments escalate, the living conditions of the Earth’s flora and fauna simultaneously decline. The question is, does our ability to splice DNA, land on the moon and build impressive civilizations justify their destruction? Perhaps it’s no use quantifying the value of a macaque’s habitat with Mendelssohn’s string symphonies. Our achievements surpass the basic instinct of survival into a desire for commodities. Therein, as Gandhi once quoted, many of man’s struggles deal not with satisfying his needs, but his greed. This is what sets us apart from other species, our ability to exploit our surroundings by choice. The Greek pantheons, Roman coliseums, Egyptian pyramids and even New York’s skyscrapers bear witness to a species that is quite capable of converting natural resources and virgin land into almost anything. Now that we have advanced farther than any other civilization on the technological frontier, I think **we have a duty to protect the environment from further degradation. Our current efforts** to wash up the damage are notable, but they **are not** as **effective**. For example, even after the establishment of the Endangered Species Act in 1970 to protect threatened or endangered species, animals keep on dying. The Tecopa pupfish, the blue pike and the Santa Barbara song sparrow are examples of species that have gone extinct in the United States since then. Birds in Kakamega Forest, Kenya’s only rainforest, are dying long after logging activities have stopped. It is difficult to come up with feasible alternatives to our planetary woes. Curbing industrial expansion and reducing pollution emissions isn’t going to work unless we all work together. Make an effort to be more conscientious about our environment and look ahead. **Our actions now**, believe it or not**, determine which species will survive or forever disappear.**

Bandow Indict

You should be skeptical of all their Bandow evidence—he was paid over $30,000 to write articles for a lobbyist to sway congressional action

Bloomberg 5 (12/16/05, Bloomberg Business Week, “Op-Eds for Sale” by Eamon Javers ttp://www.businessweek.com/bwdaily/dnflash/dec2005/nf20051216\_1037\_db016.htm)

A columnist from a libertarian think tank admits accepting payments to promote an indicted lobbyist's clients. Will more examples follow? A senior fellow at the Cato Institute resigned from the libertarian think tank on Dec. 15 after admitting that he had accepted payments from indicted Washington lobbyist Jack Abramoff for writing op-ed articles favorable to the positions of some of Abramoff's clients. Doug Bandow, who writes a syndicated column for Copley News Service, told BusinessWeek Online that he had accepted money from Abramoff for writing between 12 and 24 articles over a period of years, beginning in the mid '90s. "It was a lapse of judgment on my part, and I take full responsibility for it," Bandow said from a California hospital, where he's recovering from recent knee surgery. After receiving BusinessWeek Online's inquiries about the possibility of payments, Cato Communications Director Jamie Dettmer said the think-tank determined that Bandow "engaged in what we consider to be inappropriate behavior and he considers to be a lapse in judgment" and accepted his resignation. "Cato has an excellent reputation for integrity, and we're zealous in guarding that," Dettmer said. Bandow has written more than 150 editorials and columns over the past five years, each identifying his Cato affiliation. His syndicated column for Copley News Service is featured in several hundred newspapers across the country. Bandow's biography on the Cato Institute Web site says he has also appeared as a commentator on all the major television broadcast networks and the cable news channels. MULTIPLE TRAVAILS. A former Abramoff associate says Bandow and at least one other think-tank expert were typically paid $2,000 per column to address specific topics of interest to Abramoff's clients. Bandow's standing as a columnist and think-tank analyst provided a seemingly independent validation of the arguments the Abramoff team were using to try to sway Congressional action.

US Will Intervene Inevitably

Impact’s Inevitable- United States will continue to deter North Korea regardless of presence

**CNN, 7/21**/10, **http://www.cnn.com/2010/WORLD/asiapcf/07/21/south.korea.us.visit/index.html?hpt=T2** PK

**Seoul, South Korea (CNN)** -- Secretary of State Hillary Clinton announced tougher sanctions Wednesday against North Korea, including freezing some assets in an attempt to keep the Communist dictatorship from buying and selling arms.

The announcement came as Clinton and Secretary of Defense Robert Gates visited South Korea, part of a rare high-level meeting with members of the government of the key Asian ally.

The U.S. delegation arrived in Seoul this week to show support for South Korea over the sinking in March of the warship Chenonan.

A multinational investigation found North Korea responsible for the torpedo attack that killed 46 South Korean sailors.

North Korea has denied any connection and said it is the victim of an international conspiracy.

Gates warned that North Korea might engage in other similar "provocations."

The United States and South Korea will remain vigilant and take steps toward deterrence, such as recently announced joint naval exercises, Gates said.