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Definitions

BRICs – Jim O’Neal, Goldman Sachs, October 1, 2003

(Dreaming With BRICs: The Path to 2050)

Jim O’Neal, the man who coined the BRIC acronym, grouped the nations together as “emerging forces in the world economy.”

BRICs – Conor Sweeney, Reuters, May 16, 2008

(BRIC Club to Boost Ties, Seek to Fight Food Crisis)

“Brazil, Russia, India, and China agreed on Friday [in Yekaterinburg, Russia] to formalize their BRIC club to affirm their global economic clout.”

Has Had – Oxford English Dictionary and English Speakers Worldwide

This phrase is written in the past tense. Therefore, future projections – including Jim O’Neal’s original BRIC report – are null and void in the context of the debate.

General Information

BRIC Nations Are Growing Rapidly – The Economist, September 18, 2008 (The New Champions)

“At the start of this month, Brazilian shares were up by 345% since November 2001, India’s by 390%, Russia’s by 639%, and China’s by 500%. In 2001, Goldman Sachs had predicted that by the end of the decade the BRIC economies would account for 10% of global GDP at purchasing power parity; by 2007, their share was already 14%...China’s GDP will surpass America’s before 2030.”

US Promotes Free Trade – Heritage Foundation and Wall Street Journal, 2008 (Index of Economic Freedom)

The United States is the world’s fifth freest economy. The weighted average US tariff rate is 1.6 percent. Corruption is perceived as ‘minimal’ and property rights are upheld more than 90% of the time. A well-developed system protects patents, trademarks, and copyrights.

Brazil and the United States Have Opposing Goals

Brazilian Economy is Closed to Trade – Goldman Sachs, December 2006

(The B in BRICs: Unlocking Brazil's Growth Potential)

Brazil's economy remains "closed to trade...the share of Brazilian exports and imports in total world trade has plunged to less than 2 percent."

Brazil's Commitment to US is Merely Rhetoric – CRS Report for Congress, October 6, 2008

(Brazil-US Relations)

"Brazil states that it is 'diligently working with [us], but in fact, two key legislative initiatives that have been pending since 2005, an anti-money laundering law and an antiterrorism law, have yet to be introduced to the Brazilian Congress."

Brazil Broke Patent With US in Favor of India – CRS Report for Congress, October 6, 2008

(Brazil-US Relations)

"In May 2007, Brazil broke a patent on US drug company Merck and Company in order to import a cheaper version of antiretroviral drugs to India."

Russia and the United States Have Opposing Goals

Differing Definitions of Democracy – Richard Stengel, TIME Magazine, January 7, 2008 (Choosing Order Before Freedom)

“Russia is not democratic in any way that the West would define it. [They do not support] free speech.”

Kremlin Silences Opposition – Adi Ignatius, TIME Magazine, January 7, 2008 (A Tsar Is Born)

During Putin’s administrative terms, the government “dramatically curtailed freedoms...shut down television stations and newspapers, jailed businessmen who...challenged the Kremlin’s hold on power, defanged opposition political parties, and arrested those who confronted their rule.”

Russia is Self-Seeking – Strobe Talbott, President of the Brookings Institution, January 7, 2008 (A Tsar Is Born)

“Sometimes Russia will be helpful to Western interests, but [often] it will be the spoiler.”

Russia Opposes US Hegemony – The National Intelligence Council, November 2008 (Global Trends 2025)

“Moscow is a leading force in opposition to US global dominance.”

Russia Partners With China in Challenging the US – Ariel Cohen, Heritage Foundation, 2005 (Sino-Russian Military Maneuvers)

Peace Mission 2005 is a Chino-Russia military agreement “to oppose US predominance in the post-Cold War world.” The Russian *Moskit* is a carrier buster cruise missile they have shown to the Chinese and both sides are looking to find “a new bargaining chip against the US.” Russia is China’s primary supplier of advanced weapons systems. Since signing, Russia and China have vetoed all US backed UN Security Council resolutions condemning Iran for breaching the Nuclear Non-Proliferation Treaty.

India and the United States Have Opposing Goals

India is Self-Seeking – The National Intelligence Council, November 2008 (Global Trends 2025)

“India makes partnerships aimed at maximizing India’s autonomy, not at aligning India with any country or international coalition.” While India has made several agreements with the US, it is important to note they also dub Iran a ‘strategic partner.’

India is Corrupt – Goldman Sachs, January 2007 (India’s Rising Growth Potential)

“Bureaucratic and administrative corruption and rent-seeking by the large public sector continue to dampen investor confidence.”

India is Incapable of Combating Terrorism – CRS Report for Congress, August 12, 2008 (India-US Relations)

“The Indian government’s counterterrorism efforts are hampered by outdated and overburdened law enforcement and legal systems. The Indian court system is slow and prone to corruption; terrorism trials take years to complete. India’s police forces are poorly staffed, lack training, and are ill-equipped to combat terrorism effectively.”

China and the United States Have Opposing Goals

China Partners With Russia in Challenging the US – Ariel Cohen, Heritage Foundation, 2005 (Sino-Russian Military Maneuvers)

Peace Mission 2005 is a Chino-Russia military agreement “to oppose US predominance in the post-Cold War world.” The Russian *Moskit* is a carrier buster cruise missile they have shown to the Chinese and both sides are looking to find “a new bargaining chip against the US.” Russia is China’s primary supplier of advanced weapons systems. Since signing, Russia and China have vetoed all US backed UN Security Council resolutions condemning Iran for breaching the Nuclear Non-Proliferation Treaty.

China is Self-Seeking and Allies With Regimes – Thomas Friedman, 2005 (The World is Flat, Page 574)

“Don’t kid yourself: China’s foreign policy today consists of just two things – preventing Taiwan from becoming independent and searching for oil and other natural resources. China is particularly obsessed with acquiring secure oil supplies from countries that would not retaliate against China if it invaded Taiwan, and this is driving [alliances] with despotic regimes. China will use its veto at the UN Security Council to prevent sanction against these nations – no matter what horrible things they are doing. The Islamic fundamentalist government in Sudan now supplies China with 7 percent of its oil supplies, and China has invested \$3 billion in oil-drilling infrastructure there...Iran supplies 13 percent of China’s oil supplies...and in 2004, China began competing for oil exploration opportunities in Venezuela.”

China Pollutes Environment – Thomas Friedman of the New York Times, 2005 (The World is Flat, Page 573)

“According to the World Bank, sixteen of the twenty most polluted cities in the world are in China...in China, pollution and environmental degradation together cost \$170 billion a year.”

US and China Clash Over Taiwan – CRS Report for Congress, October 9, 2008 (China-US Relations, Current Issues and Implications for Foreign Policy)

“On October 3, 2008, the US government notified Congress of its intention to sell a package of defense articles and services, worth \$6.4 billion, to Taiwan.”

Chinese Energy Demand Harms Environment – CRS Report for Congress, October 9, 2008 (China-US Relations, Current Issues and Implications for Foreign Policy)

“China alone has been the source of 40% of the world’s oil demand growth since 2000...Reuters reported on June 20, 2007 that China had surpassed the United States in carbon dioxide emissions.”

Chinese Negotiations in UNSC Merely Rhetoric – Philip Gordon, Brookings Institution, July 9, 2008 (It Would Benefit Beijing to Be Tougher on Tehran)

“China is reluctant to do anything that would interfere with its energy relationship with Iran. This spring, after signing United Nations Security Council resolutions designed to punish Iran for non-cooperation, Beijing announced it was moving forward with part of a \$70 billion plan to develop Iran’s massive oil field in exchange for a stake in the field’s development and supply.”

Trade With BRICs is Bad

BRICs Exploit Oil and Labor – The National Intelligence Council, November 20, 2008 (Global Trends 2025)

“Sustained increases in oil and commodity prices have generated profits for Russia. Low labor costs combined with certain government policies have shifted the locus of manufacturing to Asia. The transfer of economic power we are witnessing is likely to endure.”

Outsourcing Harms US Workers – Thomas Friedman of the New York Times, 2005 (The World is Flat, Page 244)

“Corporate America has done well...by outsourcing...if Dell can build every component of its computers in coastal China and sell them in coastal America, Dell benefits and American consumers benefit, but it is hard to make the case that American workers benefit...Dell stock does well, Dell shareholders do well, and the NASDAQ does well. All things related to capital do fine. But only some American workers will benefit, and only a small number of communities.”

Trade With BRICs is Not Significant – Mark Brawley, McGill University, 2007 (Building Blocks or a BRIC Wall)

“The United States [is vulnerable to foreign influence because it] needs the BRIC markets much less than the BRICs need the American market...as destinations for American exports, China ranked fourth, Brazil 13th, India 21st, and Russia a distant 33rd.”

BRICs Promote Crowding Out – US Treasury, November 2008 (Major Foreign Holders of Treasury Securities)

Three BRIC nations [China, Brazil, and Russia] own about 30 percent of US Treasury Securities. Foreign investors in US dollar assets have seen big losses measured in dollars, and still bigger ones measured in their own currency. In 2006, Russia announced it would reduce its holdings in the US dollar. Nations doubting the dollar's international strength – namely China and Russia – respond by selling US bonds to other investors or by increasing interest rates. Both are costly for the US, whether by requiring additional payout or by decreasing the value of the dollar on the international stage. As the BRIC nations refuse to take on more US treasury bonds, the federal government is unable to spend at levels meeting or exceeding current dollar amounts.

China Contributes to Crowding Out – Ambrose Pritchard, Telegraph News Service, January 2002 (China Backs Euro at Dollar's Expense)

“The Chinese government gave the euro a seal of approval...by switching its vast dollar reserves into the world's emerging currency ...China and the European Union [have allied because they] share a joint suspicion of American hegemony in the global economic system...Beijing has a strong interest in promoting a rival currency.”

Crowding Out Reduces Investment – Irvin B. Tucker, University of North Carolina, 2005 (Macroeconomics for Today)

Crowding out occurs when private-sector spending is reduced as a result of federal budget deficits financed by foreign lending. If our increased borrowing leads to higher interest rates by creating a greater demand for money and loanable funds, the private sector, which is sensitive to interest rates, reduces investment due to a lower rate of return. This investment is ‘crowded out.’

Outsourcing to BRICs is Bad

BRICs Have Taken Over American Corporations – Matthew Bishop, The Economist, September 18, 2008 (A Bigger World)

“Budweiser, America’s favorite beer, has been bought by a Belgian-Brazilian conglomerate... Chinese computer company Lenovo paid \$1.75 billion for the personal computer business of America’s IBM.”

Opportunity for Corruption is Substantial – Matthew Bishop, The Economist, September 18, 2008 (A Bigger World)

“[New BRIC markets] will not be typified by Lenovo but by Gazprom, through with the Russian state can make mischief abroad. As [the head of Lenovo, a Chinese computer company that recently purchased IBM] points out, of the 29 Chinese firms in the Fortune 500, Lenovo is ‘the only one that is...market-driven.’ Most of the rest enjoy monopoly power or operate in natural resources, where there is far more scope for politics and corruption.”

Outsourcing Harms US Workers – Thomas Friedman of the New York Times, 2005 (The World is Flat, Page 244)

“Corporate America has done well...by outsourcing...if Dell can build every component of its computers in coastal China and sell them in coastal America, Dell benefits and American consumers benefit, but it is hard to make the case that American workers benefit...Dell stock does well, Dell shareholders do well, and the NASDAQ does well. All things related to capital do fine. But only some American workers will benefit, and only a small number of communities.”

China Can Access Labor Cheaply – Adams and Baker, Jacksonville University, 2008 (Another BRIC in the IT Outsourcing Wall)

“An engineer that would be employed at \$4,000 a month in the US would cost only about \$500 in China.”

Outsourcing to BRICs is Bad – Adams and Baker, Jacksonville University, 2008 (Another BRIC in the IT Outsourcing Wall)

“US information technology outsourcing amounts to \$17 billion annually. This number grows at a 20% annual compounded rate...[and is] projected to reach \$125 billion by the end of 2008 (new study validating the \$125 billion not yet released).”

Labor is Cheap in China and India – Lael Brainard, Brookings Institution, May 22, 2008 (America’s Trade Agenda: Examining the Trade Enforcement Act)

“Wages are less than a tenth of the level in wealthy economies.”

Outsourcing Costs Jobs – Lael Brainard, Brookings Institution, May 22, 2008 (America’s Trade Agenda: Examining the Trade Enforcement Act)

Americans...are confronting the reality of low wage foreign competition...a share 20 percent decline in manufacturing jobs over the past 7 years has contributed to deep concerns about the benefits and fairness of trade.”

BRICs Threaten United States Hegemony

BRICs Trade With One Another – The Economist, March 6, 2008

(The Decoupling Debate)

“China’s growth in exports to American slowed to only 5 percent [in 2008], but exports to Brazil, India, and Russia were up by more than 60 percent and those to oil exporters by 45 percent. Half of China’s exports now go to other emerging economies.”

BRICs Have Resources to Trade With One Another – The National Intelligence Council, 2008

(Global Trends 2025)

“Of the top 100 new global corporate leaders from the non-OECD world, 84 are headquartered in Brazil, Russia, India, and China.”

Russia Opposes US Hegemony – The National Intelligence Council, November 2008

(Global Trends 2025)

“Moscow is a leading force in opposition to US global dominance.”

BRICs Reduce US Influence – The National Intelligence Council, 2008

(Global Trends 2025)

“The multiplicity of influential actors and distrust of vast power means less room for the US to call the shots.”

Economic Interdependence is Bad

BRIC Demand For American Vehicles Exacerbates Gas Prices – The Economist, November 18, 2008 (A Global Love Affair)

Demand for American vehicles, specifically GM manufactured products, has expanded significantly. However, “given dwindling oil supplies, [this increases] fuel prices in the long term.”

US Vulnerable To Monopoly Over Oil – The National Intelligence Council, November 2008 (Global Trends 2025)

Three countries – Russia, Iran, and Qatar – hold over 57 percent of the world’s natural gas reserves. Considering oil and natural gas together, Russia and Iran emerge as energy kingpins. Both nations openly oppose US dominance in global affairs and have worked together on nuclear research and development.

Trade Deficits Are Negative

Trade Deficit With China is Substantial – The Economist, August 14, 2008 (Rebalancing Act)

Despite recent increase in America's total exports, "America's import bill for goods from China [remains] so huge – four times that of exports – that rising exports have not even dented America's overall trade deficit with China."

Trade Deficit With China is Growing – Kerry Dumbaugh, CRS Report for Congress, October 9, 2008 (Index of Economic Freedom)

"The growing US trade deficit with China is an estimated \$232 billion."

BRIC Economies Are Unstable

China and Russia Have Slowed in Development – Goldman Sachs, November 2006 (You Reap What You Sow: Our 2006 Growth Environment Scores)

China has slipped five places due to deterioration in macroeconomic and political conditions, India as slipped two places, and Russia has only risen one place.

BRICs Not Immune to US Financial Shock – Andrew Gordon, Financial News, Sept 2008 (Why Brazil is the Best of the BRICs)

“The turmoil in the US is making all the headlines. But BRIC nations are facing a much deeper crisis...on Monday, authorities halted trading on Brazil’s Bovespa for 30 minutes after it tumbled 10%. Trading in Russia was frozen on several occasions in the last two weeks to prevent an all-out collapse of the market. And China’s CSI Index has lost 58% of its value so far this year...the [BRICs] are not immune to the world’s economic problems.”

Russia Not Immune to US Financial Shock – Andrew Gordon, Financial News, Sept 2008 (Why Brazil is the Best of the BRICs)

Russia had to shut down trading a couple of weeks ago and pump \$100 billion into its faltering banks.”

BRIC Growth Not Large Enough to Avert Recession – The Economic Times, January 2009 (BRIC Needs to Grow at 10 Percent in 2009)

Brazil, Russia, India, and China have been hit hard by economic turmoil in the US. In fact, all four nations would have to grow at 10 percent or higher in 2009 in order to avert a global recession – an infeasible level of growth they have not met in previous years.

BRICs Hurt By Recession – BBC News, January 2009 (What Happens When the Dust Settles)

The US recession “is causing problems for everybody around the world, including the BRICs.”

BRICs Are Unstable – Harold James, Princeton University, 2008 (The Rise of the BRICs)

“China and Russia have financial systems that lack transparency, while Brazil and India are financially underdeveloped.”

Market Conditions Are Substandard – Mizuho Research Institute, March 2006 (Comparative Analysis of the BRICs)

“Brazil faces serious problems regarding education...India, infrastructure...for Russia and China, the protection of property rights, and for all...economic freedom.”

Tariffs Are Significant Barriers

Dissolution of Tariffs Would Increase Income Substantially – The Cato Institute, September 16, 2008 (Trade, Protectionism, and the US Economy)

“Elimination of barriers to trade in goods and services would raise the global economy by \$2 trillion and the US economy by \$500 billion.”

Tariffs Are Substantial – Heritage Foundation and the Wall Street Journal, 2008 (Index of Economic Freedom)

Although the United States’ average applied tariff is 1.6%, China’s is 5%, Brazil’s is 7%, India’s is 15% and Russia’s is 18%.

India and Brazil Refuse to Open Markets – CRS Report for Congress, October 6, 2008 (Brazil-US Relations)

“In June 2007, negotiators from India and Brazil walked out of a round of talks with representatives from the US and the EU, refusing to open their [trade] markets.”

India’s Weighted Average Tariff is Obscene – Mizuho Research Institute, March 2006 (Comparative Analysis of the BRICs)

“In 2004, India’s weighted average tariff rate was 28 percent.”

Rise of Brazil Has Hurt the United States

Ethanol Tariffs Are Too High – CRS Report for Congress, September 27, 2007

(Ethanol and Other Biofuels)

“Most [ethanol] imports are subject to a 2.5% ad valorem tariff, plus an added duty of 54 cents per gallon. This is...a significant barrier to ethanol imports.”

Brazilian Economy is Not Free – Heritage Foundation and the Wall Street Journal, 2008

(Index of Economic Freedom)

“Brazil’s economy is 59.9 percent free...the world’s 101st freest economy...21st out of 29 in the Americas. Imports and export quotas, bans and restrictions, market access barriers in services, prohibitive tariffs, border fees, restrictive regulatory and licensing rules, export support programs, non-transparent government procurement, and problematic protection of intellectual property rights persists.”

Investment in Brazil is Difficult – Heritage Foundation and the Wall Street Journal, 2008

(Index of Economic Freedom)

“Foreign investment is restricted in nuclear energy, health services, media, rural and border property, fishing, mail and telegraphs, aviation, and aerospace...foreign exchange is subject to limited restriction, and foreign participation in many economic activities is prohibited. Brazil receives a 50 out of 100 in economic freedom and a 40 out of 100 in financial freedom.”

Brazil Does Not Uphold Intellectual Property Rights – Heritage Foundation and Wall Street Journal, 2008

(Index of Economic Freedom)

“Piracy of copyrighted material persists. Brazil receives a score of 50 out of 100 in property rights and only 30 out of 100 in freedom from corruption.”

Rise of Russia Has Hurt the United States

Russia Fails to Uphold Intellectual Property Rights Laws – Duane Goehner, VMC Consultant, 2005 (Ponderous Piracy Problems)

“Russia has a 94 percent software piracy rate and millions of dollars are lost each year by US corporations like Microsoft.”

Russia Not Immune to US Financial Shock – Andrew Gordon, Financial News, Sept 2008 (Why Brazil is the Best of the BRICs)

Russia had to shut down trading a couple of weeks ago and pump \$100 billion into its faltering banks.”

Cheaper for Russia to Export Oil to China than to US – Energy Daily, January 5, 2007 (Russia and China Sign 15 Agreements on Energy Supplies)

China’s National Petroleum Corporation and Russia’s Gazprom have agreed to set up two gas pipelines from Russia to China with a total investment of \$10 billion.

Russia Depreciates the Dollar – Ariel Cohen, The Heritage Foundation, May 31, 2008 (Oil and Shifting Geopolitics)

“Russia is the dollar in favor of the euro in energy transactions. Abandonment of the dollar...decreases demand and increases the supply of dollars, continuing the slide of US currency. Russia is spearheading today’s global geopolitical change away from US hegemony.”

Russia’s Economy is Not Free – Heritage Foundation and the Wall Street Journal, 2008 (Index of Economic Freedom)

“Russia’s economy is 49 percent free...the 134th freest economy. Prohibitive tariffs, quotas, and service markets access barriers; import and export restrictions; discriminatory import and export taxes; exorbitant charges and fees; complex customs valuation; customs fees; inefficiency; corruption, subsidies, and weak enforcement of intellectual property rights add to the cost of trade.”

Investment in Russia is Difficult – Heritage Foundation and the Wall Street Journal, 2008 (Index of Economic Freedom)

“Russia receives a score of 30 out of 100 for investment freedom and 40 out of 100 for financial freedom...foreign capital is discouraged. Corruption, crime, and bureaucracy are serious barriers.”

Russia Does Not Protect Intellectual Property Rights – Heritage and Wall Street Journal, 2008 (Index of Economic Freedom)

“Russia receives a 30 out of 100 in property rights protection. Violations of intellectual property rights are a serious problem. Corruption is perceived as widespread. Russia ranks 121st out of 163 countries in Transparency International’s Corruption Perceptions Index. Russia receives a 25 out of 100 in freedom from corruption.”

Rise of India Has Hurt the United States

India is Self-Seeking – The National Intelligence Council, November 2008 (Global Trends 2025)

“India makes partnerships aimed at maximizing India’s autonomy, not at aligning India with any country or international coalition.” While India has made several agreements with the US, it is important to note they also dub Iran a ‘strategic partner.’

India is Not Dependent on the US – The National Intelligence Council, November 2008 (Global Trends 2025)

“Indian leaders do not see Washington as a military or economic patron and now believe the international situation has mad such a [relationship] unnecessary.”

India is Corrupt – Goldman Sachs, January 2007 (India’s Rising Growth Potential)

“Bureaucratic and administrative corruption and rent-seeking by the large public sector continue to dampen investor confidence.”

India’s Economy is Not Free – Heritage Foundation and the Wall Street Journal, 2008 (Index of Economic Freedom)

“India’s economy is 54.2 percent free...the world’s 115th freest economy...export restrictions, a negative import list, access restrictions, high tariffs, import taxes and fees, discriminatory measures, restrictive licensing, export subsidies, inadequate infrastructure and difficulty enforcing intellectual property laws add to the cost of trade.”

Investment in India is Difficult – The Heritage Foundation and the Wall Street Journal, 2008 (Index of Economic Freedom)

India scores a 40 out of 100 points in investment freedom and a 30 out of 100 in financial freedom...foreign investment is prohibited in real estate, retailing, legal services, agriculture, security services, and railways. Foreign investment is discouraged.

India Fails to Uphold Intellectual Property Rights – Heritage Foundation and Wall Street Journal, 2008 (Index of Economic Freedom)

“Protection of intellectual property rights is problematic. India receives 50 out of 100 points in protecting property rights...freedom from corruption is worse, with the nation receiving 33 out of 100 points.”

India Needs Infrastructure and Power – The Economist, June 5, 2008 (Building BRICs of Growth)

Lack of adequate infrastructure continues to be a problem for foreign investors. This problem has been exacerbated by a substantial increase in demand for electricity and energy in the BRIC nations. In India, only about half of all electricity generated is actually paid for because power is stolen.

India Contributes to Inflation by Selling US Treasury Bonds – The Economist, September 18, 2008 (Beware Falling BRICs)

“India’s reserves fell by \$6.5 billion in the first week of September as the central bank sold dollars to protect the rupee...confidence [in the dollar] is in short supply.”

Rise of China Has Hurt the United States

China Is Largest Competitor – Nina Hachigian, Stanford University, 2008

(The United States, Pivotal Powers, and the New Global Reality)

“Beyond doubt, China is America’s greatest challenge, its momentum unstoppable.”

Chinese Economy is Not Free – Heritage Foundation and Wall Street Journal, 2008

(Index of Economic Freedom)

“China’s economy is 52.8 percent free...which ranks it 126th out of 157...China’s weighted average tariff [is] 5 percent [compared to 1.5 percent in the US], but severe import bans, restrictions, inconsistent customs valuation, non-transparent tariff classification, inefficient customs administration, and challenges protecting intellectual property rights add to the cost of trade.”

China Fails to Uphold Intellectual Property Rights – Heritage Foundation and Wall Street Journal, 2008

(Index of Economic Freedom)

“China scores a 20 out of 100 in property rights...intellectual property rights are not enforced...copyrights, patents for inventions, brands and trademarks, and trade secrets are routinely stolen.”

China Has Poor Financial and Investment Freedom – Heritage Foundation and Wall Street Journal, 2008

(Index of Economic Freedom)

“Foreign investment is only allowed in specific sectors...weak rule of law, lack of transparency, domestic favoritism, and government regulation of foreign exchange, investment, the stock market, current transfers, and capital transactions yields a score of 30 out of 100 in both financial and investment freedoms.”

China Is Corrupt – Heritage Foundation and Wall Street Journal, 2008

(Index of Economic Freedom)

“Corruption is significant. China ranks 70th in Transparency International’s Corruption Perception Index. Corruption limits foreign direct investment, banking, finance, government procurement, and construction. Despite ratification of the UN Anti-Corruption Convention in 2005, China lacks independence investigative bodies and courts. China receives a 33 out of 100 for corruption.”

China Ships Harmful Products to US – Kerry Dumbaugh, CRS Report for Congress, October 9, 2008

(Index of Economic Freedom)

“An investigation by the US Food and Drug Administration linked tainted exports of pet food with wheat gluten from China to reports of pet deaths from kidney failure in the US...China admitted on April 26, 2007 that companies had exported melamine-laced wheat gluten to the US. The pet food was the beginning of a series of recalls including baby formula, fish, tires, toothpaste, and toys. Mattel recalled over 18 million toys. By August 2007, the US Consumer Product Safety Commission had issued 150 recall notices in 2007 alone for Chinese-manufactured products...electric throws, ceramic heaters, recliner chairs, jewelry, baby cribs, candles, boom boxes, bicycles, clothing, remote controls, lamps, curling irons, and hair dryers.”

China Does Not Protect Intellectual Property – CRS Report for Congress, October 9, 2008

(China-US Relations, Current Issues and Implications for Foreign Policy)

“Intellectual property rights piracy has cost US firms \$2.5 billion in lost sales in China, and the piracy rate for US products is estimated at around 90 percent.”

Rise of China Has Hurt the United States

China Does Not Welcome Investment – Business Standard, January 4, 2007

(China Withdraws Policies Granting Favorable Treatment to Foreign Investors)

The Chinese government called of its foreign investor-friendly policies in 2007 and launched new policies requiring foreign investors to pay land-use taxes and property taxes at exorbitant rates.

BRICs Compete With the United States For Resources

BRICs Have Increased Energy Consumption – Mizuho Research Institute, March 2006

(Comparative Analysis of the BRICs)

“The percentage share of BRICs energy consumption in the world has risen from 22% in 1985 to 26% in 2004.”

BRICs Hurt Environment – Mizuho Research Institute, March 2006

(Comparative Analysis of the BRICs)

“The BRIC nations are exacerbating environmental pollution issues due to rapid industrialization and population concentration in large cities.”

India Needs Much More Infrastructure and Power – The Economist, June 5, 2008

(Building BRICs of Growth)

Lack of adequate infrastructure continues to be a problem for foreign investors. This problem has been exacerbated by a substantial increase in demand for electricity and energy in the BRIC nations. In India, only about half of all electricity generated is actually paid for because power is stolen.

BRICs Promulgate Ideologies Contrary to Our Own

Russia Fails to Uphold Intellectual Property Rights Laws – Duane Goehner, VMC Consultant, 2005 (Ponderous Piracy Problems)

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Peace Mission 2005 is a Chino-Russia military agreement “to oppose US predominance in the post-Cold War world.” The Russian *Moskit* is a carrier buster cruise missile they have shown to the Chinese and both sides are looking to find “a new bargaining chip against the US.” Russia is China’s primary supplier of advanced weapons systems. Since signing, Russia and China have vetoed all US backed UN Security Council resolutions condemning Iran for breaching the Nuclear Non-Proliferation Treaty.

Russia and China Are Anti-Democratic – David Rothkopf, Newsweek, November 2008 (A Bigger Clubhouse)

The impulses of the Russian administration and the reluctance of the Chinese to embrace anything but limited experiments in democracy prove their ideologies are contrary to western interests.

BRICs Advocate State Capitalism – The National Intelligence Council, November 20, 2008 (Global Trends 2025)

“China, India, and Russia are not following western liberal models for self-development but are using a different model, ‘state capitalism,’ a loose term to describe a system of economic management that gives a prominent role to the state, making corruption more plausible.”

BRICs Are Self-Seeking – David Rothkopf, Newsweek, November 24, 2008 (A Bigger Clubhouse)

“Each individual [country] sees international efforts as a way to advance their national goals. Brazil and India, already collaborating effectively in blunting EU and US pressure in the Doha trade negotiations, want a place at the table in the UN Security Council.”

Investment in BRICs is Difficult

BRICs Fail the World Bank's Test – The World Bank, May 2008

(Building With BRICs)

On the World Bank's "Ease of Doing Business Index," China comes in best at 93rd, Russia is 96th, Brazil is 121st, and India is 134th.

BRICs Are Not Dependent on US For Trade – The Economist, March 6, 2008

(The Decoupling Debate)

"The four biggest emerging economies, which accounted for two-fifths of global GDP growth last year, are the least dependent on the United States: exports to America account for just 8% of China's GDP, 4% of India's 3% of Brazil's, and 1% of Russia's...emerging economies' trade with each other has risen faster and now accounts for over half their total exports...a slowdown in China would hurt [Russia and Brazil] more than an American recession."

BRIC Are Not Immune to US Financial Shock – The Economist, March 6, 2008

(The Decoupling Debate)

"The global economy is going into recession and it is the emerging markets that are being hit the hardest. The BRIC countries' stock markets have seen big swings. Shanghai has been down as much as 70% from its high, Moscow has fallen as much as 75%, and Brazil's Bovespa Index has fallen 60%."

Brazilian Economy is Closed to Trade – Goldman Sachs, December 2006

(The B in BRICs: Unlocking Brazil's Growth Potential)

Brazil's economy remains "closed to trade...the share of Brazilian exports and imports in total world trade has plunged to less than 2 percent."

China and Russia Have Slowed in Development – Goldman Sachs, November 2006

(You Reap What You Sow: Our 2006 Growth Environment Scores)

China has slipped five places due to deterioration in macroeconomic and political conditions, India has slipped two places, and Russia has only risen one place.

BRICs Support Iran in a Manner Contrary to United States Interests

Russia Shields Information About Iranian Nuclear Program From US – The Economist, October 2007 (Last Tango in Tehran)

On January 28, 2008, Russia completed the 8th and final shipment of 9.5 tons of uranium to Iran to bolster their nuclear program. Russia refuses to share information about the program with the US.

Chinese Negotiations in UNSC Merely Rhetoric – Philip Gordon, Brookings Institution, July 9, 2008 (It Would Benefit Beijing to Be Tougher on Tehran)

“China is reluctant to do anything that would interfere with its energy relationship with Iran. This spring, after signing United Nations Security Council resolutions designed to punish Iran for non-cooperation, Beijing announced it was moving forward with part of a \$70 billion plan to develop Iran’s massive oil field in exchange for a stake in the field’s development and supply.”

Russia Opposes US Missile Defense Systems to Protect From A Hostile Iran – The Economist, October 2007 (Last Tango in Tehran)

In the Czech Republic and Poland, the US wants to construct missile defenses against Iran, which are only to be used if “a nuclear threat from Iran materializes.” After Russian opposition, the US offered to link American and Russian programs, but Russian denied, stating publicly that “European missile defense by the US undermines [their] strategic policies.”

China, India, and Russia Support Iranian Nuclear Program – Nina Hagichian, Stanford University, 2008 (The United States, Pivotal Powers, and the New Global Reality)

“Emerging powers have close relationships with Tehran. China is Iran’s largest energy consumer. India and Iran, who dub each other ‘strategic partners,’ held a joint naval exercise in 2006, and Russia has been selling billions of dollars of weapons to Tehran for decades.”

China and Russia Circumvent Export Control Laws – Nina Hagichian, Stanford University, 2008 (The United States, Pivotal Powers, and the New Global Reality)

“Chinese and Russian defense companies circumvent export control laws to sell illicit items to hostile states such as Iran and Syria.”

China Aided Iran – Nina Hagichian, Stanford University, 2008 (The United States, Pivotal Powers, and the New Global Reality)

“In 2006, Washington sanctioned six Chinese companies for providing Iran with weapons technology.”

India Aided Iran – Nina Hagichian, Stanford University, 2008 (The United States, Pivotal Powers, and the New Global Reality)

“In 2006, Washington sanctioned two Indian companies for providing Iran with weapons technology.”

BRICs Are Strongly United

BRICs Are Now An Established Political Entity – David Rothkopf, Newsweek, November 2008 (A Bigger Clubhouse)

“Six months ago, the foreign ministers of the BRICs met in Yekaterinburg, Russia, to transform a catchy acronym into an international force to be reckoned with.”

BRICs Want Mutlipolar World – The National Intelligence Council, November 2008 (Global Trends 2025)

“Russia wants to be a member of the World Trade Organization. India wants to be a member of the UN Security Council. Historically, however, emerging multipolar systems have been more unstable than bipolar or unipolar ones; the greater diversity and growing power of more countries portends less cohesiveness and effectiveness for the international system.”

China and Russia Trade Oil – Louis Basenese, Oxford Investment Advisory Panel, Jan 15, 2009 (Now’s The Time to Bet on China)

It is cheaper for Russia to construct pipelines to China than to provide oil to the US. China imports a net 3.3 million barrels of oil per day.

Russia Has Capacity to Trade With US, But Prefers China – Erin Arvedlund, New York Times (In Moscow, US Strives for Greater Share of Exports)

“Russian oil exports to the US should be 10 times what they are currently.” Russia, who recently laid claim to an oil-rich area of the Arctic the size of Western Europe, is the world’s second largest producer behind Saudi Arabia. However, they believe it is more beneficial to build pipelines to Eurasian countries, which puts us at the mercy of their prices – or in the case in which they refuse to sell to us, we are at the mercy of even higher prices in the Middle East.

BRICs Threaten the United States Militarily

Russian Missiles Designed to Target the US – BBC News, December 2007 (Russia Tests Ballistic Missiles)

“Russia has successfully tested two intercontinental ballistic missiles designed to destroy American missile shields...the RS-24...is able to penetrate any kind of defensive system.”

Russia Has Increased Defense Spending – Adi Ignatius, TIME Magazine, January 7, 2008 (A Tsar Is Born)

Russian defense spending has tripled in the past five years. Russia “has the world’s largest stockpile of weapons of mass destruction and a lethal nuclear arsenal.”

China and Russia Have Strong Foreign Intelligence – Lebanon News Service, September 19, 2007 (Hezbollah Joins China and Russia as America’s Most Serious Threat)

“China and Russia’s foreign intelligence services are the most aggressive in collecting against sensitive and protected US systems, facilities, and developmental projects...earlier this month, the Financial Times reported that China’s military had hacked into the Pentagon computer system.”

Russia Designs Weapons to Harm US – Stuart Goldman, CRS Report for Congress, Oct 6, 2008 (Russian Political, Economic, and Security Issues)

“Putin announced that Russia developed a new strategic nuclear missile superior to any in the world. The SS-27 combines a hypersonic boost phase and a maneuverable warhead, characteristics designed to defeat US ballistic missile defenses.”