# Growth Bad Addendum

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## Growth Bad – War

### Economic growth and an increase of resources causes conflict – history proves

Meir Kohn, Dartmouth College, Dpt of Economics, 11-2005, “Economic Development and the Evolution of Government in Pre-Industrial Europe, P1,” <http://papers.ssrn.com/sol3/papers.cfm?abstract_id=866986>

In pre-industrial Europe, government and the economy developed together, each influencing the other. The development of each was shaped by competition. Governments competed for territory, principally by means of war. Their success depended primarily on their ability to mobilize resources. So governments that could tap the resources of thriving economies had an advantage over governments that could not. Of course, whether or not an economy thrived depended to no small extent on the nature and conduct of its government. This nexus of government, war, and economy generated a sort of cycle. A period of peace allowed economies to develop and grow. This economic growth increased the resources available to governments, enabling them to embark on military adventures. War and the means used to finance it depressed economic activity and eventually starved governments of resources. This made it impossible for them to continue fighting. Peace then returned and the economy slowly recovered. This set the scene for another cycle. Economic growth and war were both self-limiting. It is this political-economic cycle much more than the demographic-economic cycle of Malthus that has been the main obstacle to sustained economic progress.

### Economic growth breeds war- best empirical evidence throughout history

Joshua S, Goldstein Poli- Sci @ MIT , Journal of Conflict Resolution, Vol 31, No 4, Dec. 1987, http://www.jstor.org/stable/174156 , P. 591- 92

Why should an upturn in economic growth lead, about a decade later, to an upturn in great power war? My answer is based on the cost of wars. The biggest wars occur only when the core countries can afford them, which is after a sustained period of economic growth (Farrar, 1977; Vayrynen, 1983). When treasuries are full, countries will be able to wage big wars; when they are empty, countries will not wage such wars.21 Thus, when the growth of production accelerates, the war-supporting capacity of the system increases, and bigger wars ensue. Throughout history, wars have cost money. In preindustrial times, most European wars were fought by mercenaries hired by monarchs. A favorite phrase in this era was "money is the nerves of war." If the mercenaries were not paid, they would not fight-or, worse, they would turn on their masters. Braudel (1972) describes fifteenth- to seventeenth century European wars as moving in surges-the economy recovered from one war and was in turn drained by the next.22

### Economic growth breeds war- best empirical evidence throughout history

Joshua S, Goldstein Poli- Sci @ MIT , Journal of Conflict Resolution, Vol 31, No 4, Dec. 1987, http://www.jstor.org/stable/174156 , P. 590

The lagged correlations reported here suggest a new theory of the long wave, based on a two-way causal relationship between economic and political variables. Sustained economic growth both promotes (enables) war and is disrupted by war. Figure 10 illustrates the cyclical sequence of production and war in this theory. Faster growth gives rise to increased great power war severity. Higher war severity in turn dampens long-term economic growth. Lower growth leads to less severe war, which in turn allows faster economic growth. This sequence takes roughly 50 years-one long wave-to complete. While war and economic growth are the driving variables, prices react to war, and real wages react to war and prices

## Growth Bad – Warming

### Recession decreases greenhouse gas emissions

David **Owen**, staff writer, March-30-20**12**,” Economy vs. Environment, The New Yorker, http://www.newyorker.com/talk/comment/2009/03/30/090330taco\_talk\_owen

Increases in fuel efficiency could be bad for the environment unless they’re accompanied by powerful disincentives that force drivers to find alternatives to hundred-mile commutes. And a national carbon policy, if it’s to have a real impact, will almost certainly need to bring American fuel prices back to at least where they were at their peak in the summer of 2008. Electric cars are not the panacea they are sometimes claimed to be, not only because the electricity they run on has to be generated somewhere but also because making driving less expensive does nothing to discourage people from sprawling across the face of the planet, promoting forms of development that are inherently and catastrophically wasteful. One beneficial consequence of the ongoing global economic crisis is that it has put a little time back on the carbon clock. Because the climate damage done by greenhouse gases is cumulative, the emissions decrease attributable to the recession has given the world a bit more room to devise a plan that might actually work. The prospects for a meaningful worldwide climate agreement probably improved last November, with the election of Barack Obama, but his commitments to economic recovery and carbon reduction—to bringing the country out of recession while also reducing U.S. greenhouse emissions to seventeen per cent of their 2005 level by 2050—don’t pull in the same direction. Creating “green jobs,” a key component of the agenda, is different from creating new jobs, since green jobs, if they’re truly green, displace non-green jobs—wind-turbine mechanics instead of oil-rig roughnecks—probably a zero-sum game, as far as employment is concerned. The ultimate success or failure of Obama’s program, and of the measures that will be introduced in Copenhagen this year, will depend on our willingness, once the global economy is no longer teetering, to accept policies that will seem to be nudging us back toward the abyss.

## Growth Bad – Environment

### The environment benefits from econ decline

David **Owen**, staff writer, March-30-20**12**,” Economy vs. Environment, The New Yorker, http://www.newyorker.com/talk/comment/2009/03/30/090330taco\_talk\_owen

The world’s financial and energy crises are connected, and they are similar because credit and fossil fuels are forms of leverage: oil, coal, and natural gas are multipliers of labor in much the same way that credit is a multiplier of wealth. Human history is the history of our ascent up what the naturalist Loren Eiseley called “the heat ladder”: coal bested firewood as an amplifier of productivity, and oil and natural gas bested coal. Fossil fuels have enabled us to leverage the strength of our bodies, and we are borrowing against the world’s dwindling store of inexpensive energy in the same way that we borrowed against the illusory equity in our homes. Moreover, American dependence on fossil fuels isn’t going to end any time soon: solar panels and wind turbines provided only about a half per cent of total U.S. energy consumption in 2007, and they don’t work when the sun isn’t shining or the wind isn’t blowing. Replacing oil is going to require more than determination. The environmental benefits of economic decline, though real, are fragile, because they are vulnerable to intervention by governments, which, understandably, want to put people back to work and get them buying non-necessities again—through programs intended to revive ordinary consumer spending (which has a big carbon footprint), and through public-investment projects to build new roads and airports (ditto).

### Massive Growth in Econ results in world environmental decline

Michael **Bond**, Promoter of Social and Environmental Reform, **2000**, eveoftheapoc,http://www.eveoftheapoc.com.au/Downloads/DebtVsGrowth.html

The present global economy is caught in a catch-22 of its own making. Solutions exist, but the blindness that created the problem also stops the solutions from being seen.¶ Problem 1 How Much Is Enough?¶ The present economy is obliged to grow annually at between 3% and 6%. Too much less than 3% for too long and the economy will collapse from lack of currency. Too much over 6% for too long and inflation will spiral out of control, rendering currency meaningless. For the last 15 years the global economy has been growing at an average of about 4% per year. Note that at 4% growth the economy doubles every 19 years, and grows 10 times its size in a mere 59 years.¶ By the beginning of the 21st century the world's environment was in critical decline. Oceans are turning acidic from atmospheric CO2 threatening marine life, melting glaciers are flooding cities where soon little water will flow at all, species are disappearing from the Earth at a faster rate than during the dinosaur extinction 65 million years ago. The design of the global economy demands that by 2019 the economy will be twice the size it was in 2000. At its present rate of growth, by 2059 the global economy will be ten times its 2000 size. But Earth cannot sustainably support a global economy the size it was in 2000.¶ Even if the economy slid along at a minimal 3% growth it would still be 10 times its 2000 size by the year 2080. ¶ So in order to survive, the global economy is compelled to keep growing like a cancer, at an unsustainable rate that will kill its host. This self-destructive design is a direct result of the flaw in the global money system (see accompanying article Money - Deadlier Than Plutonium).¶ But wait - there's more!¶ Let's assume, like most corporations and politicians do, that the world's resources are endless and that no environmental threats exist. Even if that were the case, the global economy is self-destructive for an entirely different reason, if the first way isn't fast enough. ¶

## Growth Bad – Debt

### Economic growth leads to increase in Global Debt

Michael **Bond**, Promoter of Social and Environmental Reform, **2000**, eveoftheapoc,http://www.eveoftheapoc.com.au/Downloads/DebtVsGrowth.html

Problem 2 - Coming Ready Or Not!¶ The second problem stems from the fact that in order to sustain 4% annual economic growth, global debt must increase at about 10% annually. Because it is annual growth, this means it is exponential rather than mathematical growth. The difference between the two is shown below. Because global debt increases exponentially 6% faster than the global economy, debt will quickly smother the economy by demanding its entire output merely in interest payment. The OECD rated Australia's economy as "one of the best performers" in the developed world. Australia’s Economy demonstrates that even the best performers in the global economy will be bankrupt before 2030. ¶ If Australia stays on its present "good" course, within a few decades Australia's interest bill each year will be larger than Australia's entire national income. . Australia would be bankrupt well before it got to this. The figures of 4% economic growth and 10% debt growth are about the same for the entire global economy. The Global Economy is on course to collapse well before 2030 due to a looming global inability to repay annual interest. The reason why debt outpaces economic growth stems from a fault in global money supply.

## Collapse Now

### Policy induced slowdown leads to inevitable collapse

Bo **Cutler**, Director of the Next American Economy Project, Mar.-1-20**12**, Next New Deal, http://www.nextnewdeal.net/coming-economic-growth-collapse

We are about to see an abrupt slowdown in economic growth this year and next. It will be a policy-induced slowdown, not some mysterious event caused by aliens. We have delayed obvious policy actions for so long now that a slowdown is virtually inevitable. There is absolutely no room -- or inclination, so far as I can see -- for a compromise between the two parties that might conceivably change this outcome. We have pushed more and more major decisions into the post-election lame duck congressional session, making a policy "accident" (and there are no good accidents) more and more likely. This slowdown, which will begin in the second half of 2012 and extend through 2013, could happen rapidly enough to influence the 2012 presidential election. And it certainly won't help President Obama.¶ ¶ The story begins with a still fragile and low-level economic recovery. President Obama's budget projects 2.7 percent growth for 2012 and 3 percent for 2013. These are very low growth numbers after a recession as major as the one we just lived through. But I've always thought they were too high. As a comparison, the CBO, a public source of economic forecasts, and Merrill Lynch, a private source, are each projecting much lower growth. For example, in its most recent weekly research report, Merrill projects growth of 2 percent this year and 1.4 percent in 2013. The CBO is even lower. So our base economic picture is one of very low growth.¶ ¶ But despite this low growth, we've been lucky this year.

### Oil prices make Econ Collapse inevitable

Bo **Cutler**, Director of the Next American Economy Project, Mar.-1-**2012,** Next New Deal, http://www.nextnewdeal.net/coming-economic-growth-collapse

The combination of stable energy prices and one of the two mildest winters in the last decade boosted the economy for the last quarter of 2011 and the current quarter. Stable energy prices have meant that people's real wages could improve. And they have. Warm weather has meant that more people are working -- between 50,000 and 100,000, according to Merrill. Helped by these factors and the last impacts of the 2009 stimulus program, we grew at about 2.5 to 2.6 percent in the last three months of last year, and we're set to grow at slightly above 2 percent for the first three months of this year.¶ ¶ But this anemic, only semi-happy economic situation is about to end. We will see growth slightly lower in the next three months, and then it is likely to collapse to around 1 percent for the rest of 2012, barely above stall speed. Growth will remain very low through all of 2013.¶ ¶ Part of this drop in growth will be due to a rise in energy prices. Oil prices have risen substantially in the last month, driven by widespread concerns about Iran. Higher gasoline prices will reduce real wages in the short run and raise unemployment in the long run (over half a year). But this is not the big story.¶ ¶ The big story is that the effects of austerity are about to hit home.

### Fiscal tightening going on in the squo will lead to recession

Bo **Cutler**, Director of the Next American Economy Project, Mar.-1-20**12**, Next New Deal, http://www.nextnewdeal.net/coming-economic-growth-collapse

 We have programmed a fiscal tightening into our taxation and spending plans. A combination of tax increases and spending cuts will amount to 4.6 percent of GDP. This is the biggest one-year tightening in 50 years. For reference, the last big tightening of 3.1 percent in 1969 led to the 1970 recession. Merrill Lynch has an interesting graph showing the fiscal situation of European countries and their economic growth rates. Greece is currently experiencing a fiscal tightening of 6 percent and, not coincidently, a growth rate of negative 5 percent. We are vastly stronger than Greece and won't be hit that hard. But if we really go through the 4.6 percent tightening now projected, it's hard not to predict something very close to a recession. The first consequence of the coming growth collapse is that the congressional session after the election will be an absolute zoo. All major decisions -- and most minor ones -- are being shunted into this period. (We are planning to have a completely substance-free election.) Budget appropriations, major tax increases, the across the board budget cuts Congress "agreed" to last fall are supposed to be decided then. An accident is virtually inevitable. Time will be compressed. It is likely that Congress will be as deadlocked after the election as it is now, so ideological fervor will be at a maximum.

### Recession now - grim 2013 projections

 Bo **Cutler**, Director of the Next American Economy Project, Mar.-1-20**12**, Next New Deal, http://www.nextnewdeal.net/coming-economic-growth-collapse

 Any hope that a set of broad compromises could naturally emerge from this morass is craziness. Absent a carefully planned approach to this session by President Obama, changes will very likely be at the margin, the fiscal tightening will be only slightly reduced, and 2013 will be a very, very tough year economically.¶ ¶ A second consequence is that tax policy will be in complete disarray. Tax rates will rise automatically unless both sides agree on a new policy, and at this moment President Obama has the political leverage. But as the growth collapse becomes apparent, this leverage will disappear and both sides will rush toward a tax cut.¶ ¶ (On the subject of taxes, one wonders what the tax policy people at Treasury were thinking when they convinced the president to propose raising taxes on dividends. Counting the fact that dividends are double taxed, this raises taxes on dividends from about 45 percent to 70 percent. At these levels, corporations would be close to irresponsible to pay dividends. So fewer dividends will be paid, corporations will raise more debt, the capital structure of the United States will be weaker, and nothing close to the amounts of revenue the Treasury forecasts will come as a result.)¶ ¶ But of course the real consequences won't be the zoo in Washington. They will be in the real world. There will be skimpy to non-existent growth, higher unemployment, more under-employment, another jobless environment for people leaving high school and college, worsening state finances, further stressed school budgets, and on and on.¶ ¶ The right policy is not a mystery. We need what I called "the pivot" three years ago. That means: (1) a much more expansionary policy now, one that spends rapidly (unlike the "shovel ready" big projects in 2009 that, predictably, failed), and (2) an explicit policy of deficit and debt reduction for the longer term. I know all the objections: the right demonizes one part of the pivot, the left the other. All compromises are deemed unacceptable. No "big bargain" is possible. So I'm quite certain that nothing even remotely close to what we actually need will happen. Meanwhile, a slow moving accident is about to engulf us.

### Printing money = disaster for Economy

Bruce **Porteous**, Head of Financial Risk with Standard Life Bank, 2-26-**06**, Rense, http://rense.com/general69/econm.htm

Printing money to solve a nation's economic problem can never be sustained. Eventually, it will lead to the debasing of a nations currency and run-away inflation. Yet for a short period, it can create an artificial prosperity, deluding the masses into believing this new prosperity can be sustained. The long-term consequences of inflating their money supply will spell disaster for America and Japan, and have dire consequences for the global economy. ¶ ¶ The rapid increase in the money supply of US dollars is the number one reason America's wealth has shifted from the US to Asia and Europe. The reason why America has such large trade and current deficits is because of the expansion of its money supply, without the corresponding expansion of its productive capacity to produce the wealth to sustain the increase in money in circulation. The lack of domestic savings to provide the investment capital into new manufacturing capacity is also a contributing factor. The cost of maintaining a large military establishment and the decline in the social fabric of society are also significant contributing factors, both of which consume resources that should be invested in the manufacturing sector for a nation to remain internationally competitive. So it would appear in the short-term, the loose monetary policies of America and Japan appear to have benefited everyone. Expanding the money supply has provided the capital to support the growth of the expanding Asian economies, especially those of India and China. Inflation (if you exclude property) has been contained (normally a consequences of a loose money policy) because of China and India being able to produce consumer goods and services cheaply for the global markets, preventing manufactures in the Anglo-Saxon economies from raising their prices. The increase in the supply of US dollars has been able to finance the growth in global trade. It has also provided the liquidity to finance the trade in oil, even as its price continues to escalate. But what are the long-term consequences of such fiscal policies?

### Increase in money supply dwindles non-renewable resources

Bruce **Porteous**, Head of Financial Risk with Standard Life Bank, 2-26-**06**, Rense, http://rense.com/general69/econm.htm

 The increase in the money supply has resulted in the rapid growth in consummation of non-renewable resources in newly emerging economies in both the Anglo-Saxon countries and especially China and India. This growth in demand for these essential commodities can not be sustained. Without the supply of cheap energy our standard of living will not be maintained. Eventually the availability of energy will become limited to only those nations with currencies strong enough to purchase them. ¶ ¶ 4 Damage to the global environment ­ the increase of the money supply has stimulated economic growth to where the planet can no longer cope with the damage done to the environment. For the sake of short-term prosperity, we are destroying the ability of the planet to sustain life.