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# \*Politics--1NC Shell\*

## A. A debt ceiling compromise is on track now, but time is running out- rapid bipartisan efforts are key

**Lengell 5-24**-11 [Sean, staff writer for The Washington Times, “Biden panel facing pressure in debt-limit deadline, Hill recesses; Bipartisan negotiations set to resume,” lexis]

**Congressional leaders involved in ongoing deficit-reduction talks** with the White House **say negotiations have been going slow but well. But they'll need to hurry in order to beat an early August deadline and avoid a government default on the national debt**. Vice President Joseph R. **Biden** **is scheduled to resume negotiations Tuesday with the bipartisan group** - three members each from the House and Senate - **to discuss ways to lower the nation's ballooning debt. But with the House and Senate in session together for only four weeks in June and July, finding time to meet could be tricky**. Adding to the group's distraction is Mr. Biden's scheduled official visit to Italy in early June. The House and Senate typically try to schedule time off simultaneously. But when Republicans took control of the chamber this year, they planned for longer workweeks in exchange for more full weeks off, upsetting the Capitol's normal scheduling routine. **The congressional sextet and** Mr. **Biden have been meeting regularly this month to hammer out a deal to increase the $14.294 trillion debt ceilin**g - the government's legal limit on how much it can borrow to pay for its operations. Exceeding the limit could lead to the U.S. defaulting on its loans, a scenario that would damage the nation's credit rating and could trigger another financial crisis. The government hit the debt limit last week, though Treasury Secretary Timothy F. **Geithner said he can juggle accounts until Aug. 2**. President Obama has said he would like the parties to reach a compromise by the end of June.

## B. New space programs are an uphill battle for Obama that will drain his political capital:

STEWART M. POWELL, 2009 (staff writer, Sept. 13, 2009, “Potential uphill battle for NASA,” http://www.chron.com/disp/story.mpl/nation/6615751.html)

NASA supporters are bracing for an uphill battle to get the extra funding needed to take on missions more ambitious than visits to the international space station. A high-level panel told President Barack Obama last week that the space program needs an infusion of about $3 billion more a year by 2014. That may be a tough sell, even though the amount could be considered spare change in a fast-spending capital where the White House and Congress are on track to dole out nearly $4 trillion this year to finance federal operations, including bailouts for Wall Street firms, banks and automakers. “The congressional agenda over the next year is going to be focused on cutting programs, not adding to them,” said Scott Lilly, a scholar at the Center for American Progress. Adding resources to the nation's $18.7 billion-a-year space program would require cuts in other areas, said Lilly, who doesn't think lawmakers are willing to make those trades. Rep. Pete Olson, R-Sugar Land, the ranking Republican on the House subcommittee that has jurisdiction over NASA, said wrangling the additional $3 billion a year would be “an enormous challenge — but one I am prepared to win.” Added Olson, whose district includes Johnson Space Center: “NASA doesn't require bailout funds — it needs the promised level of investment that previous Congresses have endorsed.” The 10-member panel of space experts led by retired aerospace executive Norman Augustine suggested extending U.S. participation in the $100 billion space station for five years, extending budgeting for the retiring shuttle fleet by six months, delaying plans for a 2020 return to the moon and extending the timeline for the next generation of manned spacecraft by two years at least until 2017. But the experts warned in their 12-page preliminary report to Obama on Tuesday that “meaningful human exploration” would be possible only under “a less constrained budget ramping (up) to approximately $3 billion per year” in additional spending by 2014. Former astronaut Sally Ride, a member of the committee, forecast $27.1 billion in additional funds would be needed over the next decade — a 27 percent increase over the $99.1 billion currently planned. Even before Obama publicly reacts to Augustine's report to map the next steps in the nation's manned space exploration, members of Congress are scrambling. “The immediate challenge goes beyond money to just getting NASA on the radar screen when everyone is focused on health care reform,” said a key congressional staffer involved in NASA issues. Finding support NASA supporters initially are targeting the Democratic leadership of appropriations subcommittees in the House and Senate with jurisdiction over NASA. Space advocates have an ally in Sen. Barbara Mikulski, D-Md., chairwoman of the Senate Appropriations Committee panel that handles space agency spending. But in the House, pro-NASA lawmakers expect a fight with Rep. Alan Mollohan, D-W.Va., chairman of the House Appropriations Committee panel that cut next year's NASA spending nearly $500 million below what Obama requested. Lawmakers are looking for a House-Senate conference committee to restore the funds that Mollohan cut before the Augustine panel completed its work. Aides to Sen. Bill Nelson, D-Fla., chairman of a Senate subcommittee that oversees NASA, said they have already identified six potential sources of additional NASA funding within the federal budget, including some of the $8 billion promised over the next decade to private energy firms to research fossil fuels and deep drilling for oil and gas. Lawmakers also are exploring the possibility of redirecting some of the two-year, $787 billion economic stimulus package from shovel-ready transportation construction projects and other federally subsidized programs into the NASA budget. The administration so far has only paid out $160 billion of the total, according to Vice President Joe Biden. “A lot of stimulus money has not been spent,” said Sen. John Cornyn, R-San Antonio. “We should redirect some of those stimulus funds to pay for enhancements to the NASA budget because I believe human space flight is so important.” Aerospace executives and veteran space experts are hoping for reliable year-to-year funding. “These are challenging economic times, but this is not the moment to turn away from leading a global space exploration effort,” said Dean Acosta, head of the Houston-based Coalition for Space Exploration. President's influence Presidential leadership will be essential to gaining an increase, emphasized John Logsdon, a space policy expert who served on the Shuttle Columbia Accident Investigation Board. “The president has to use some portion of his political capital to put forward an Obama space program.” Congressional staffers are looking to Tuesday's hearing by the House Committee on Science and Technology with testimony by Augustine to gauge the breadth of potential support for additional NASA spending. NASA administrator Charles Bolden was supposed to testify, but he withdrew because Obama hasn't yet indicated his plans for the future of the space program. “If we see a lot of questions about additional spending at that hearing, we'll know we have trouble,” said one congressional staffer, speaking on condition of anonymity.

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## C. Raising the debt ceiling is key to prevent an economic double-dip

**Weller 5-24**-11 [Christian, Senior Fellow at American Progress and an associate professor of public policy at the University of Massachusetts Boston, “Don’t Raise the Federal Debt Ceiling, Torpedo the U.S. Housing Market,” <http://www.americanprogress.org/issues/2011/05/debt_ceiling_housing.html>]

**If Congress fails to raise that ceiling then the U.S. housing market would most likely experience a severe double-dip contraction marked by much lower home sales and depressed house prices. That in turn would spark a return of the economic pain of the past few years for many families as foreclosures would remain at or near record highs, and jobs in key sectors, such as construction, would disappear again**. The connection between the debt ceiling, the housing market, the construction industry, and the broader economy is the rate of interest paid on U.S. Treasury bonds and home mortgage rates. **Failing to raise the** federal debt **ceiling**, which is the maximum amount that the federal government can borrow without additional congressional action, **would cause interest rates to climb**, perhaps **sharply**, and they would remain higher than they otherwise would. Mortgage rates, among other interest rates, would rise alongside interest rates on U.S. Treasury bonds, making homes less affordable and depressing house sales and prices. **The housing market double-dip decline that many fear would quickly become a reality, destroying even more of families’ home equity, slowing the economic recovery, and cutting much-needed jobs**.

## D) The impact is nuclear World War 3

O'Donnell **’09** [Baltimore Republican Examiner writer and Marine Corps Reserve squad leader,

[Sean, 2-26-2009, The Baltimore Republican Examiner, "Will this recession lead to World War III?," http://www.examiner.com/x- 3108-Baltimore-Republican- Examiner~y2009m2d26-Will-this- recession-lead-to-World-War- III]

Could the current economic crisis affecting this country and the world lead to another world war? The answer may be found by looking back in history. One of the causes of World War I was the economic rivalry that existed between the nations of Europe. In the 19th century France and Great Britain became wealthy through colonialism and the control of foreign resources. This forced other up-and-coming nations (such as Germany) to be more competitive in world trade which led to rivalries and ultimately, to war. After the Great Depression ruined the economies of Europe in the 1930s, fascist movements arose to seek economic and social control. From there fanatics like Hitler and Mussolini took over Germany and Italy and led them both into World War II. With most of North America and Western Europe currently experiencing a recession, will competition for resources and economic rivalries with the Middle East, Asia, or South American cause another world war? Add in nuclear weapons and Islamic fundamentalism and things look even worse. Hopefully the economy gets better before it gets worse and the terrifying possibility of World War III is averted. However sometimes history repeats itself.

# Uniqueness: Will Pass

## Debt compromise will happen now, but progress is fragile

**Van Meter 5-25**-11 [Susan, Healthcare Association of New York State, “Talks Continue Behind Closed Doors on Debt Ceiling and Deficit Reduction,” <http://www.hanys.org/news/index.cfm?storyid=2133>]

Yesterday on Capitol Hill, Vice President Joseph **Biden**, **charged by the President with securing a bipartisan agreement to raise the debt ceiling** before the August 2 deadline, **met again with his bicameral group of congressional representatives. Details of the closed-door session remain under wraps, but group members have made optimistic statements about the negotiations**. Mr. **Biden** **and** House Majority Leader Eric **Cantor** (R-VA), a group member, said they **believe a deal can be cut to raise the debt ceiling that would include at least $1 trillion in deficit reduction**. The Vice President said he considers that $1 trillion to be a “down payment” and that spending cap and trigger mechanisms could be used to achieve a total of $4 trillion in deficit reduction. While the Vice President insists that any agreement to achieve such levels of deficit reduction must include revenue increases, House Republican leaders repeatedly state they will not support any tax increases. Mr. Biden said some “big ticket items,” presumably Medicare and Medicaid, will need to be part of the deficit reduction/debt ceiling plan. **It is possible the group is considering proposals to reduce Medicare and Medicaid spending** put forward by the President’s deficit reduction commission last December. HANYS will keep members posted as news from the negotiations becomes available. As the results of the special election in New York’s 26th District suggest, how Medicare cuts are put forward can be a politically treacherous business, and recent polling figures show widespread support for the Medicaid program as well. Meanwhile, the bipartisan “Gang of Six” in the Senate, is now the Gang of Five. Last week, Republican Senator Tom Coburn (R-OK) decided to take a break from the negotiations, saying he was discouraged with the group’s lack of willingness to put a serious level of cuts on the table. A member of that group, Senate Budget Committee Chair Kent **Conrad** (D-ND), **said he would wait to see the results of the Biden negotiations before working to move a budget in the Senate**.

## Debt ceiling increase will happen now

**Odione-Esene 5-25**-11 [Brai, Washington Content Manager at Market News International, “US Tsy's Geithner: Confident Of L-Term Budget Deal By Summer,” <http://imarketnews.com/node/31335>]

U.S. Treasury Secretary Timothy **Geithner** Wednesday **said he is confident that by the summer, Congress will** not only **have raised the debt ceiling**, but the administration and lawmakers will have agreed on a "comprehensive" plan to tackle the nation's long-term deficits. In a wide-ranging discussion at the Politico's "Playbook Breakfast," Geithner also talked up the talents of France Finance Minister Christine Lagarde, while describing the failure of Congress to approve the nomination of Peter Diamond for the Federal Reserve Board and other government agency heads as "irresponsible." And Geithner said he remains confident Congress will act to raise the debt ceiling, stating unequivocally that "the United States will never default on its obligations." **Hill leadership, and the "vast bulk" of Congress, understand the need to raise the limit**, he said, describing the ongoing debate over the debt as simply "theater." **Treasury is taking extraordinary measures to remain under the debt limit, but has stressed that it can only hold out until August 2. Geithner predicted that not only will Congress pass an increase in the debt ceiling by the summer, but it will also have put in place "a long-term comprehensive, bipartisan fiscal reform plan** that begins this process of getting us back to living within our means." "I think we have a very good chance of doing that," on the basis of ongoing negotiations, he said, noting that there are good prospects for a "sizable deal" on the U.S. long-term fiscal path.

## Debt ceiling will be raised now- there’s enough political support

**Lehrer 5-24**-11 [Eli, Vice President of Washington D.C. operations for the Heartland Institute, “GOP’s Clean Debt Vote Won’t Fool the Dems,” <http://www.frumforum.com/gops-clean-debt-vote-wont-fool-the-dems>]

In the end, **the debt ceiling needs to go up and**, in the end, **the White House and the Senate have nearly all of the high political cards** and, for that matter, the facts **on their side**. **Some sort of spending caps**, along the lines that Douglas Holtz-Eakin has proposed, **could make a small difference and, as a political matter, might even help Republicans in the 2012 elections**. (And, given the party’s rapidly deteriorating generic ballot scores, anything that helps is a good thing.)

# Uniqueness: Will Pass

## Biden efforts mean debt compromise is likely

**Reuters 5-23**-11 [“Biden talks seen last hope for debt ceiling deal,” <http://www.reuters.com/article/2011/05/23/us-usa-debt-biden-idUSTRE74L31620110523>]

**A deal to lift the U.S. debt limit may hinge on negotiations led by** Vice President Joe **Biden**, which still have a long way to go to close the gap between deeply divided Democrats and Republicans. **Biden has increasingly been playing the role of emissary** for the White House to Capitol Hill on the budget battle that threatens to lead the United States to the verge of default. Republicans are demanding deep spending cuts in return for raising the $14.3 trillion U.S. borrowing ceiling, which needs to happen by early August. Biden will gather together senior lawmakers from both parties on Tuesday afternoon for a third set of talks to hammer out a compromise on reducing budget deficits. **The vice president's group made a better start than most observers had expected when it began to meet this month**. But few expect an agreement to come quickly or easily. "**It is a virtual certainty that this process will go to the absolute last minute**, and then for five minutes longer," said Alex Brill, a research fellow at the American Enterprise Institute who worked in President George W Bush's White House. **Attention has shifted to the Biden group after talks among a separate negotiating panel** -- the "Gang of Six" senators -- **stalled last week** with the departure of Republican Senator Tom Coburn, a fiscal conservative from Oklahoma. Some analysts saw the breakdown of the Gang of Six talks as a bleak harbinger for the prospect of a long-term budget deal. That group, comprised of fiscal experts from both parties, had been working behind the scenes since early this year. Biden's panel includes four Democratic lawmakers and two Republicans who are known more for the clout they wield within their parties than for their budgetary expertise. Among the members are Eric Cantor, the No. 2 Republican in the House of Representatives and James Clyburn, the No. 3 House Democrat. Biden has been a point person within the administration for relationships on Capitol Hill because of the 36 years he spent as a Delaware senator.

## A debt ceiling deal is already outlined- it’s just a question of actualization

**Dionne 5-23**-11 [E.J., columnist for The Washington Post, “E.J. DIONNE: Expect a quick, narrow deal on the debt ceiling,” <http://www.registerguard.com/web/opinion/26270713-47/cuts-ceiling-debt-medicare-ryan.html.csp>]

**Symbolism** doesn’t pay off debts or cover the costs of Social Security and Medicare. That **has not stopped politicians in the nation’s capital from engaging in an extended and entirely symbolic fight over how to raise the debt ceiling**. It’s time to stop the charade. **The outlines of an eventual deal are clear already. Both parties will agree to some spending cuts and to a deficit-reduction trigger that won’t take effect until well after the 2012 elections. The triggering language will be vague enough so Republicans can say it would force large spending reductions and Democrats can say it would allow for a mix of cuts and tax increases**.

## The debt ceiling will be raised now

**Leary 5-23**-11 [Mal, staff writer for Capital News Service, “Delegation expects US debt ceiling will be raised,” <http://www.kjonline.com/news/delegationexpectsdebt-ceilingwill-rise_2011-05-22.html>]

The federal credit card is maxed out, but the **Obama** administration **has a temporary reprieve as lawmakers work on a measure to increase the federal debt ceiling while laying out a blueprint to reduce the budget deficit**. **"We have to have a long-term, sustainable debt-reduction plan," Sen**. Olympia **Snowe**, R-Maine, the senior member of the state's congressional delegation **said** in an interview. "I see that as pivotal to our future. But regardless, we know it has to be done and it has to be done as part of a debt-reduction plan." She said it is "regrettable" that it is taking the threat of a debt crisis to get Congress to work on a long-term debt-reduction plan. **She expects Congress will extend the debt limit because of the severe consequences of not raising the limit to allow government to function**. "The agreement that was reached, the $38 billion in cuts to this year's budget, is a start," Snowe said, "It will mean a $315 billion reduction in debt over the next ten years. But, it is just a start." A member of the Senate Finance Committee, she said negotiators should be looking at all ways to reduce the deficit, including taxes as well as spending reductions. She said several of the tax breaks given to oil companies should be repealed with that additional revenue dedicated to lowering the deficit. "It's not only entitlements that we have to look at," Rep. Mike **Michaud**, D-2nd District, said in an interview. "You have to look at the tax breaks that are out there. I think it is outrageous that General Electric made billions of dollars and paid no taxes." He **said there is no doubt Congress will increase the debt limit because of the disastrous impact on the economy if the country were to default on its obligations**. He said to get to the target of significant debt reduction, it now stands at a mind-numbing $14.294 trillion dollars, programs must be cut and eliminated, and tax breaks must be eliminated or reduced as well.

# Uniqueness: Will pass – Biden + history

## Will pass – Biden is creating momentum and history proves

**CNN** **5/23** (Jennifer Liberto, 5/23/11, " Obama budget chief optimistic on debt deal ", http://money.cnn.com/rssclick/2011/05/23/news/economy/omb\_budget\_talks/?section=money\_latest)

WASHINGTON (CNNMoney) -- **A bipartisan group of negotiators is "making progress" toward finding a way to both raise the debt ceiling and whittle down budget deficits**, President Obama's top budget chief said Monday. Jacob **Lew**, the director of the Office of Management and Budget, **told the Economic Club in Washington that he's optimistic about getting a deal done within the group** headed by Vice President Joe Biden. Print **Biden has been leading a bipartisan panel from the Senate and House to find a way to cut deficits and raise the debt ceiling**. Lew confirmed that has been in on those talks, which will resume Tuesday. "One of the things that's very promising in the conversations that the vice president is leading is that there's a shared sense of purpose," Lew said. He said the group feels pressure to act now, "because it's not going to be easier to act six months or nine months from now." The federal government has hit the legal cap on the amount it can borrow, and Congress needs to pass a law allowing the government to borrow more to stay good on its debts. However, Republicans in Congress don't want to raise the amount that the nation can borrow unless they can tie such bigger borrowing to other drastic budget cuts. Biden's group is heading into its third week of negotiations and still has a ways to go before they get a deal, Lew said. **Lew**, who led the same White House budget office during the Clinton administration, **said that the environment for cutting a deal with Republicans now is completely different than it was in the 1990s. "If you look at that environment, in some ways it was less likely than now" that the two parties would reach a deal to get the U.S. fiscal house in order, Lew said**. "There was no sense of impending crisis...there was just this sense that it was the right thing to do." "Now the whole world is watching. Will we be able to get our fiscal house in order?" Lew said.

**And – Biden is key to get conservatives like McConnell on board**

**Christian Science Monitor** **5/11** (Gail Russell Chaddock, 5/11/11, " Congress has plenty of deficit-cutting plans, but can any of them fly? ", <http://www.csmonitor.com/USA/Politics/2011/0511/Congress-has-plenty-of-deficit-cutting-plans-but-can-any-of-them-fly>)

“The bad news is that Congress has chosen to run deficits for 33 of the last 36 years,” Senator Toomey said in a statement. “The good news is that these deficits represent a political, rather than an economic problem, and Congress is quite capable of finding a solution.” But **with the prospect of America defaulting on the national debt getting closer, the focus is shifting from competing plans to what party leaders can negotiate directly with the president and the negotiating group led by** Mr. **Biden. “With all due respect to the Gang of Six or any other bipartisan discussions going on on this issue, the discussions that can lead to a result between now and August are the talks being led by** Vice President **Biden**,” **said** Senate Republican leader Mitch **McConnell**, after a caucus meeting on Tuesday.

# Internal Links: Political Capital Key – Obama pushing DC

**Political capital is key- White House influence is the only thing bringing all parties to the negotiating table**

**NYT** **5-24**-10 [Carl Hulse, Jackie Calmes, 5/24/11, "Vote on Debt Is Planned but Criticized as a Stunt," <http://www.nytimes.com/2011/05/25/us/politics/25congress.html>]

At the same time, Vice President Joseph R. **Biden** Jr. **said bipartisan talks among Congressional leaders over a fiscal package that could clear the way for an increase in the debt ceiling were now focused on getting at least $1 trillion in savings**, though he said new revenue would have to be part of any bargain. “I think we're in position where we'll be able to get well above $1 trillion pretty quick,” Mr. Biden told reporters after an afternoon session with lawmakers. **Republicans said the decision to proceed on a debt-ceiling showdown came after repeated calls by the White House**, Treasury Secretary Timothy F. **Geithner and other Democrats for a straightforward vote to reassure the financial markets that political sparring over the nation's financial health would not prevent the country from making good on its debts**.

**Political capital is key – Obama has to expend political will to broker a deal**

**Christian Science Monitor** **5/11** (Gail Russell Chaddock, 5/11/11, " Congress has plenty of deficit-cutting plans, but can any of them fly? ", <http://www.csmonitor.com/USA/Politics/2011/0511/Congress-has-plenty-of-deficit-cutting-plans-but-can-any-of-them-fly>)

With the two parties dug in miles apart, **Capitol Hill is bubbling with competing plans to bring down the deficit and raise the debt ceiling**. And President **Obama is taking a stronger hand to close the gap**. Skip to next paragraph Related Stories Why debt limit issue may drag on through Election 2012 US debt crisis: Can a deeply divided 'Gang of Seven' make any progress? Democrats' deficit-cutting plan: Big Oil subsidies the first target Mr. Obama met with Senate Democrats at the White House on Wednesday, and he will meet with Republicans Thursday in a bid to find a way forward. Unlike during the health-care reform process, **he is not leaving it to congressional leaders to shape the plan. “If the president invests some of his political capital into the discussions, it could help bring about a deal**,” says Julian Zelizer, a congressional historian at Princeton University in New Jersey. “The danger is that if it falls apart, the more responsibility he takes for the failure.” Vice President Joe **Biden has been leading a negotiating group to chart a new fiscal course. But this week, other lawmakers have presented proposals, too**.

## Obama’s boost in capital has set the stage for the debt ceiling battle

**L.A. Times 5-5**-11 [“Bump in polls presents Obama with opportunity, challenge,” <http://articles.latimes.com/2011/may/05/nation/la-na-obama-congress-20110505>]

**Obama's aides**, mindful of both examples, **want to avoid overreaching or seeming to exploit Bin Laden's death for political purposes**. At the same time, they face pressure from Democratic lawmakers and interest groups to use the president's stature to push back harder against Republicans during the continued standoff over government spending, debt and social programs. **Already, both sides have predicted that Bin Laden's death may lead to a softened tone in domestic political combat, especially as it relates to a looming vote over whether to increase the federal government's borrowing limit**. But White House officials have not yet found a clear path forward. Democrats, Republicans and top administration officials will meet on White House turf Thursday for budget negotiations. Congressional **Democrats head into those talks with a "spring in their step**," one strategist said. Meanwhile, Obama is scheduled to visit the site of the Sept. 11, 2001, attacks in New York on Thursday. On Sunday, he will appear on CBS' "60 Minutes" for his first interview since Bin Laden was killed. Obama's appearance Thursday will be tempered, with the president making no public remarks and meeting only privately with Sept. 11 survivors and first responders, out of concern, said one advisor, that he not "exploit" the moment. On Friday, Obama gets back to lingering domestic woes. He will travel to Indianapolis to talk about jobs and the economy. **White House advisors hope Americans will "appreciate the leadership" on display in the Bin Laden operation and that the sentiment will translate into momentum for other efforts**.

# Bipartisanship key

## Overcoming partisanship is key to a debt ceiling hike

**Reuters 5-11**-11 [“Factbox: Key players in Congress' battle over debt limit,” <http://www.reuters.com/article/2011/05/11/us-usa-budget-players-idUSTRE74A77U20110511>]

**A simple House majority would be needed to pass a debt-limit hike. Republicans control the House by a margin of 240 to 192. But Boehner may be forced to strike a deal with Democrats if too many Tea Party Republicans reject his plan as not cutting deeply enough**. SENATE DEMOCRATIC LEADER HARRY REID Reid has said he's drawing "no lines in the sand" in his efforts to increase the debt limit, though he says the Social Security retirement program should not be part of the discussion. He favors a broad framework that would require Congress to meet deficit-reducing targets each year. That would give lawmakers time to resolve deep differences on how to meet those targets. In that scenario, automatic spending cuts or tax increases would be triggered if the targets were not met.

# Short timeframe

## Swift action is key to rally support and avoid a default in August

**Pergram 5-20**-11 [Chad, covers Congress for FOX News. He's won an Edward R. Murrow Award and the Joan Barone Award for his reporting on Capitol Hill, “Raising the Debt Limit: There will be no vote before it’s time,” <http://politics.blogs.foxnews.com/2011/05/20/raising-debt-limit-there-will-be-no-vote-it-s-time>]

**Part of the problem is that the speaker exhausted a lot of political capital on the arrangement to keep the government operating**. Many conservatives don't think they cut enough. A few Republican lawmakers concede privately they're wary of Boehner horse-trading with the president. **Meantime, the clock ticks toward the August 2 deadline. And the longer the debt ceiling issue twists in the wind, the tougher it might be for Republicans to vote for it. One school of thought suggests the sides work up something soon so the issue doesn't rot under the sweltering summer sun**.

# AT: Uniqueness overwhelms the link

## Raising the debt ceiling isn’t a sure thing- Republicans could default on Medicaid

**Dionne 5-23**-11 [E.J., columnist for The Washington Post, “E.J. DIONNE: Expect a quick, narrow deal on the debt ceiling,” <http://www.registerguard.com/web/opinion/26270713-47/cuts-ceiling-debt-medicare-ryan.html.csp>]

Sooner or later, all these **realities will lead Congress to raise the debt ceiling without pretending that it can resolve the central budget questions. But there is still one major danger. Having lost on Medicare, Republicans are likely to drop back and seek huge Medicaid cuts** — and Ryan’s reductions there are, if anything, worse than his Medicare reductions. **As even the cautious Congressional Budget Office concluded, his Medicaid plan “would probably require states to ... curtail eligibility for Medicaid, provide less extensive coverage to beneficiaries, or pay more themselves**.” The cuts especially would harm the disabled, who account for 42 percent of Medicaid expenditures.

# AT: Default isn’t so bad

## Even a small default would have permanent economic consequences

**Weller 5-24**-11 [Christian, Senior Fellow at American Progress and an associate professor of public policy at the University of Massachusetts Boston, “Don’t Raise the Federal Debt Ceiling, Torpedo the U.S. Housing Market,” <http://www.americanprogress.org/issues/2011/05/debt_ceiling_housing.html>]

**The debt default may be temporary, but the impact on interest rates may be permanent. Higher Treasury interest rates will reflect the new risk associated with lending to the U.S. government—and that estimated risk will not disappear because the government will eventually make its payments. That’s because there is nothing to say that Congress won’t play the same game in the near future once it has allowed the federal government to default on its debt payments**, albeit temporarily.

# AT: Emergency measures solve

## Safety measures can only hold off default until early August

**Meyer and Smoot 5-21**-11 [Charlie and Stephen, staff writers for the News Tribune, “FACEOFF: Has the U.S. debt crisis reached the point where it poses a major threat to the nation’s future?” <http://www.newstribune.info/opinions/columnists/x1555988515/FACEOFF-Has-the-U-S-debt-crisis-reached-the-point-where-it-poses-a-major-threat-to-the-nation-s-future>]

How high is the debt limit right now? **The ceiling is currently set at $14.294 trillion**. The country's accrued debt hit that mark on the morning of May 16. But **by taking various extraordinary measures like suspending investments in federal retirement funds, U.S. Treasury Secretary Timothy Geithner will be able to bring total debt down enough to allow the government to continue borrowing until Aug. 2**.

# AT: Winners Win

## Any “win” will be too small to matter- link outweighs

Mark Blumenthal, 1/6/2011 (staff writer, “Obama Gets Modest Lame-Duck Poll Bump”

<http://www.huffingtonpost.com/2011/01/06/obama-lame-duck-poll-bump-real-but-modest_n_805469.html>)

Did President Obama get a bump in the polls after the successes of the congressional lame-duck session? While only a handful of pollsters have updated their job-approval numbers since the holidays, those who have seem to be showing movement in Obama's favor, though the change is slight and may be fleeting.

## Jamming through liberal agenda items will undermine Obama politically:

Frank Burke, 1/3/11 (staff, American Thinker, " The Lamest Duck of All ", <http://www.americanthinker.com/2011/01/the_lamest_duck_of_all.html>)

Anyone doubting that the area inside the Washington, D.C. Beltway combines the more surreal elements of the Emerald City of Oz and Wonderland's rabbit hole need only to listen to the pundits -- including some conservatives -- discussing the lame-duck Congress's successes and Obama's move to the center. For those of us outside the Charmed Circle, the situation appears quite different. In reality, there is nothing new here. The lame-duck Congress was the same body that advanced the agenda responsible for the most significant political defeat in modern times. Like petulant adolescents, angered at the public's rejection of their superior wisdom, they proceeded to vote against the voters. The fact that the Reid/Pelosi nexus chose to steamroll an uncommonly large number of liberal agenda items within a short time should come as no surprise. Rather than a measure of accomplishment, the quantity was clearly a sign of desperation, as were the compromises reached on the extension of the Bush tax cuts and the fund for 9/11 responders. What seems to have been lost in all the excitement is an appreciation of the likely long-term effects of the initiatives in question. If one thing has remained constant throughout the Obama administration, it is the ascendancy of emotionalism over reason and the concomitant failure to anticipate the end results of actions. Examples of this began virtually on the first day with the executive order to close the facility at Guantánamo Bay. Without any plan, it was not long before reality set in. Two years later, it has been realized that it will not be possible to close Guantánamo or to offload the terrorists to other countries. Closely related to this was the decision to try Khalid Sheikh Mohammed and others in New York. Once the consequences were realized, the situation devolved into an embarrassing stalemate. The stimulus package, with its complement of shovel-ready jobs, failed to create new opportunities, and what's more, a large proportion of it remains unused. With little planning as to how or where to spend the money to create the most jobs, the public saw billions in funding go to earmarks and frivolous projects. Of all the singular negative accomplishments of the first two years, none surpasses ObamaCare. Written and assembled by disparate special interest groups within the Democratic Party, the program has proven to be everything its detractors said -- overly expensive, unworkable, and destructive to the health care system. The fact that leading Democrat supporters, including select corporations and unions, have petitioned for and received exemptions indicates the lack of thought that went into this badly cobbled mess. Other initiatives including Cash for Clunkers and the seizure of the automotive industry likewise contributed to the Republican victories of 2010. A closer examination of the items enacted in the lame duck session and their likely long-term results show a far different picture from the ones visualized by the pundits and Obama himself. Some examples: The preservation of the Bush tax cuts for two years, and the extension of unemployment insurance for thirteen months. Even if recovery results in a better employment picture, it is probable that there will still be a significant percentage of unemployed thirteen months from now. At that time, with a Republican-dominated House, it is very unlikely that there will be yet another extension of unemployment insurance. Hopefully, the Republicans will be able to link any benefits to retraining. Also, given this package, the Bush tax cuts will be set to expire shortly after the 2012 election. Obama has promised his liberal base that he will not countenance any further extension of "tax cuts for the wealthy." In that circumstance, he will be faced with the possibility of championing a massive tax increase on the public as he attempts to be reelected. The repeal of Don't Ask, Don't Tell. Justification for the repeal of DADT was supposedly a Pentagon study, despite the finding that military people on the front lines were not in favor of it. What was likewise ignored was the results of another joint U.S. and British study regarding sexual practices among Afghan natives. This study indicates that in Afghan society, where women are largely out of bounds except through marriage, homosexuality and pedophilia have become rampant among Afghan security forces. This has resulted in a great deal of discomfort on the part of American and British troops. Again, with no plan, we are left without a definition of what openly gay means. Will gay service members be identified in some way, and will their names be made public? How will this impact their situation in those Muslim countries where homosexuality can be punished by death? Once again, an emotional cause has resulted in an unplanned situation that could prove most dangerous to gay service personnel. The 9/11 responders bill. Hailed as a great victory, this bill was enacted with a dollar figure roughly fifty percent less than the originally requested amount. While few would question that those who suffered injury as a result of rescue or cleanup efforts should be compensated, other inquiries have gone unanswered -- especially by Chuck Schumer and Kirstin Gillibrand, the senators largely responsible for pushing the measure. What about those who have already received aid from other sources? Further, how was the dollar number arrived at? Would it not have made more sense to establish a lesser figure that could be replenished as needed? Are the individuals affected with health problems going to be placed in a special program, or will they be served by ObamaCare?The New START (Strategic Arms Reduction Treaty). The administration's actions have done more than Vladimir Putin to strengthen the hand of the old Soviet Union. Virtually nothing was done when Georgia was invaded. Then, the administration was cowed into abandoning our plans for a missile defense system that would cover our allies in Poland and the Czech Republic. Now we have a treaty that severely limits our capability to provide a missile defense shield for ourselves and our allies. We are assured that despite the wording in the preamble, the administration still reserves the right to construct missile defense systems. The Russians disagree. Where is the plan? There has been no adequate explanation. Clearly, the desperation of the Obama administration does not signal any real move "to the center." What was done for political expediency and to acquire attractive press coverage will likely be undermined with subsequent subterfuge, much as the ObamaCare death panels and Cap and Trade have resurfaced through cabinet-level regulations. As time passes and the reality of unprogrammed implementation sets in, the emotional overdrive that propelled so many of the lame-duck initiatives will devolve into anger, disappointment, lawsuits, and further declines in popularity.

# AT: Winners Win

## Loss of capital snowballs, causes complete collapse:

Guardian, 9/9/2009 September 9, 2009, p. 24

One of the implications facing the U.S. leader is that political rejection becomes infectious. Once a president **becomes weak or vulnerable**, either domestically or internationally, **his political clout diminishes exponentially**. A president's aura of influence is only as significant as his most recent victory. To illustrate, former president George W. Bush barely hung on to power in 2004 on the image of being tough on terrorism, with an important assist to Osama bin Laden and al-Qaida. After his re-election, and the mistakes of hurricane Katrina, the privatization of social security and the Terry Schaivo "right to die" fiasco, he never recovered and spent the balance of his presidency treading water.

## Obama’s recent wins were because of unique political dynamics- it won’t happen again:

Gordon Robison, 12/28/10 (GulfNews, " Obama returns to winning ways ", <http://gulfnews.com/opinions/columnists/obama->returns-to-winning-ways-1.737442)

If there is a single lesson for the president to take away from the last few weeks it is not to make the mistake of paying much attention to the praise: those in the media who are smitten by him today will go back to calling him incompetent and out of touch the moment something goes wrong, as it inevitably will. Many of Obama's wins over the last few weeks were built on unique political dynamics unlikely to be recreated any time soon. Take, for example, the Strategic Arms Reduction Treaty with Russia (commonly known as ‘New START'). Optimists have spent the last few days pointing to Obama's successful wooing of 13 Republicans, a total that put the treaty comfortably over the minimum needed for ratification. The fact that he achieved this despite opposition from most of the Senate's Republican leaders was certainly a virtuoso performance, but it would be a mistake to read it as a hint of better things to come. Peeling off all of those Republicans required pleas for ‘yes' votes from every single living former Republican secretary of state, former president George W. Bush and most of the top officers in the military. Even then, the outcome remained in doubt until almost the last minute. As recently as two weeks ago the treaty was widely presumed to be dead. If this is what it takes to get a real bipartisan measure through the Senate do not look for it to serve as a model for much of anything during the coming year. It is difficult, if not impossible, to imagine a similar set of circumstances coming together again any time soon.

## Winners win doesn’t apply to Obama- previous wins have hurt Obama’s chances on future bills

Liasson ‘09 [Mara, National political correspondent for National Public Radio, “'Special Report' Panel on President Obama's Lessening Popularity Among Americans”, Fox News, 7-28-09]

Yes, I think that usually the irony is that usually success breeds success. In other words, he passes things. He passed the stimulus bill and got cap and trade through the House, not the Senate yet. He has passed various pieces of legislation. That should make it easier to pass other things. Instead, ironically, kind of ironically, it has made it harder because of what happened to these bills when they went through the Congress. It wasn't his original idea, as Charles points out, to have 85 percent of the pollution permits given away for free. It was supposed to be a revenue maker. They were supposed to be paid for in these auctions. The same thing with health care. The president laid down two bedrock principles. It had to be deficit neutral and it had to bend the cost curve down. Those are two different things. But the House bill, which was scored by the CBO as doing neither of those things.

## Health care and energy prove winners don’t win – capital is finite

**Lashof ’10** [Dan Lashof, director of the National Resource Defense Council's climate center, Ph.D. from the Energy and Resources Group at UC-Berkeley, 7-28-2010, NRDC Switchboard Blog, "Coulda, Shoulda, Woulda: Lessons from Senate Climate Fail," http://switchboard.nrdc.org/blogs/dlashof/coulda\_shoulda\_woulda\_lessons.html]

Lesson 2: Political capital is not necessarily a renewable resource. Perhaps the most fateful decision the Obama administration made early on was to move healthcare reform before energy and climate legislation. I’m sure this seemed like a good idea at the time. Healthcare reform was popular, was seen as an issue that the public cared about on a personal level, and was expected to unite Democrats from all regions. White House officials and Congressional leaders reassured environmentalists with their theory that success breeds success. A quick victory on healthcare reform would renew Obama’s political capital, some of which had to be spent early on to push the economic stimulus bill through Congress with no Republican help. Healthcare reform was eventually enacted, but **only after an exhausting battle that eroded public support, drained political capital and created the Tea Party** movement. Public support for healthcare reform is slowly rebounding as some of the early benefits kick in and people realize that the forecasted Armageddon is not happening. But this is occurring **too slowly to rebuild Obama’s political capital in time to help push climate legislation across the finish line.**

# I/L- Key to economy

## Failure to resolve the debt crisis will devastate the economy- several reasons

**Krugman 5-17**-11 [Craig, Nobel prize-winning economist and professor of Economics and International Affairs at the Woodrow Wilson School of Public and International Affairs at Princeton University, Centenary Professor at the London School of Economics, and an op-ed columnist for The New York Times, “America held hostage,” lexis]

It's hard to know whether the ''what, us worry?'' types believe what they're saying, or whether they're just staking out a bargaining position. But in any case, they're almost surely wrong: **seriously bad consequences will follow if the debt ceiling isn't raised. For if we hit the debt ceiling, the government will be forced to stop paying roughly a third of its bills, because that's the share of spending currently financed by borrowing**. So will it stop sending out Social Security checks? Will it stop paying doctors and hospitals that treat Medicare patients? Will it stop paying the contractors supplying fuel and munitions to our military? Or will it stop paying interest on the debt? Don't say ''none of the above.'' As I've written before, the federal government is basically an insurance company with an army, so I've just described all the major components of federal spending. At least one, and probably several, of these components will face payment stoppages if federal borrowing is cut off. And what would such payment stops do to the economy? Nothing good. **Consumer spending would probably crash, as nervous seniors started wondering how to pay for rent and food. Businesses that depend on government purchases would slash payrolls and cancel investments. Furthermore, markets might well panic, especially if interest payments are missed. And the consequences of undermining faith in U.S. debt might be especially severe because that debt plays a crucial role in many financial transactions**. So hitting the debt ceiling would be a very bad thing. Unfortunately, it may be unavoidable. Why? Because this is a hostage situation. **If the president and his allies operate on the principle that failure to raise the debt ceiling is an unthinkable outcome, to be avoided at all cost, then they have ceded all power to those willing to bring that outcome about**. In effect, they will have ripped up the Constitution and given control over America's government to a party that only controls one house of Congress, but claims to be willing to bring down the economy unless it gets what it wants.

## Failure to raise the debt ceiling would be catastrophic- causes economic instability

**Klein 5-24**-11 [Ezra, staff writer for The Washington Post, “It can go wrong? It will go wrong.” Lexis]

Then there's the whitest of white swans: the debt ceiling. **We know that an actual default would have catastrophic consequences** - Ronald Reagan called it "unthinkable," former Federal Reserve vice chairman Alan Blinder said **it "could lead us back into recession," and Moody's warned that it would trigger an immediate downgrade in the nation's credit rating**. We know exactly what we need to do to avoid those consequences. But we're . . . not doing it. Instead, Republicans are trying to convince themselves that perhaps default wouldn't be that bad, and that thus it's worth risking to scare the Obama administration into caving to the GOP's agenda. So Rep. Paul Ryan is telling CNBC that the markets will accept default "for a day or two or three or four." And Rep. Devin Nunes is telling Politico that "**by defaulting on the debt, in the short and long term, it could benefit us to go through a period of crisis that forces politicians to make decisions**." And let's say we do dodge a debt-ceiling crisis this time. What about the next time? Or the one after that? **It's a bomb sitting at the base of the economy**, and we need to get it wrong only once for things to get very, very bad very, very fast. Worse, it's an entirely unnecessary risk: If Congress wants to change policy going forward, that's what the budget is for. Paying our bills, however, is not optional. But in our system - unique among developed countries - it is optional, albeit with terrible consequences. One day, a few political leaders will make the wrong decision, the polarization will be too much to overcome, and the bomb will go off. When a crisis comes, the people who were charged with preventing it like to say that it could not have been predicted. Who could've imagined that housing markets would crash all around the country or that terrorists would fly planes into buildings or a that a hurricane would breach the levees in New Orleans? Sometimes there's truth to those claims. But not in these cases. **These crises are predictable. These crises are preventable. These are the white swans, and they're swooping and honking right in front of us**.

# I/L- Key to economy

## Failure to raise the debt ceiling soon collapses the housing market and guarantees a double-dip

**Cernoch 5-25**-11 [Heather, “Debt Ceiling Threatens 'Economic Pain' and High Foreclosure Rates,” <http://www.dsnews.com/articles/debt-ceiling-threatens-economic-pain-and-high-foreclosure-rates-2011-05-25>]

**The U.S. housing market could experience a severe double-dip contraction marked by lower home sales and depressed house prices if Congress fails to raise the federal debt ceiling, according to a statement from the Center for American Progress**, a nonpartisan, nonprofit research and educational institute that focuses on government policy. The Center cites the House majority for toying with the idea of not raising the ceiling, which is the maximum amount the federal government can borrow without additional congressional action. **Not doing so**, the Center explains, **would “spark a return of the economic pain of the past few years for many families as foreclosures would remain at or near record highs**.” James Frischling, president and co-founder at NewOak Capital, a New York-based financial advisory firm, contends that not raising the limit by early August threatens to put the U.S. itself on the verge of default. “**Last week ended with the U.S. hitting its debt ceiling of $14.28 trillion and concerns of ‘catastrophic economic consequences**,’ according to Treasury Secretary Geithner, if the U.S. doesn’t raise the debt limit,” said Frischling. “The drama is in place, and it’s a safe bet that the negotiations between Democrats and Republicans will go until the last possible moment before a compromise on reducing government spending and an increase in the debt ceiling is reached,” Frischling added. According to the Center for American Progress, **there is a clear connection between the debt ceiling and the housing market that starts with the rate of interest paid on U.S. Treasury bonds and home mortgage rates. Failing to raise the federal debt ceiling would cause interest rates to climb, including mortgage rates, alongside interest rates on U.S. Treasury bonds, making homes less affordable and depressing house sales and prices, the Center argues**. The Center describes a trickle-down effect that could ensue if Congress fails to raise the ceiling. Because shocks to Treasury rates typically translate into mortgage rates rising and staying high, mortgage rates could remain high for an extended period. New home sales would drop to record lows, and existing home sales would decrease, the organization warns. **The drop in existing home sales would then contribute to lower prices. Lower house prices would put more mortgages “underwater,” lowering the incentives for homeowners to remain current. This in turn**, the Center says, **could keep mortgage delinquencies and foreclosures near record highs for an even longer stretch**.

## Default crisis threatens the economy at multiple levels

**Weller 5-24**-11 [Christian, Senior Fellow at American Progress and an associate professor of public policy at the University of Massachusetts Boston, “Don’t Raise the Federal Debt Ceiling, Torpedo the U.S. Housing Market,” <http://www.americanprogress.org/issues/2011/05/debt_ceiling_housing.html>]

**A double dip in the housing market**—fewer sales and lower prices—**would send construction employment lower again and prolong the economic pain for laborers and specialty contractors alike**. Conclusion **Republicans are gambling with the housing sector’s health just as it’s starting to stabilize. Not raising the debt ceiling would have serious economic consequences if it became a reality. The housing market would be one of the first sectors feeling the pain from this policy decision. House sales and prices would tumble, quickly raising foreclosures, lowering growth, and destroying jobs**.

# I/L- Key to economy

## Resolving the debt crisis is key to prevent economic catastrophe

**Rahn ’09** [Richard, staff writer for The Washington Times, “The Growing Debt Bomb,” <http://www.cato.org/pub_display.php?pub_id=10563>]

What is particularly frightening is that **neither political party has offered a serious plan to defuse the debt bomb. The Democrats are just piling up more debt as if there were no limit, and the Republicans, to date, are only proposing measures to reduce the increase, rather than reverse it. When the debt bomb explodes** — within the next one to three years — **expect to see record high real interest rates and/or inflation, coupled with a collapse of many "entitlements." It will be like the neutron bomb, the buildings will be left standing, but the people will not**.

**Failure to raise the debt ceiling crushes the domestic economy and sends world markets into a tailspin**

**Keyser Mineral Daily News Tribune** **5/21** (Charlie Meyer, Stephen Smoot, 5/21/11, " FACEOFF: Has the U.S. debt crisis reached the point where it poses a major ... ", http://www.newstribune.info/opinions/columnists/x1555988515/FACEOFF-Has-the-U-S-debt-crisis-reached-the-point-where-it-poses-a-major-threat-to-the-nation-s-future)

Ultimately, if **lawmakers** fail to raise the ceiling this year, they will have two choices, both awful. They could either cut spending or raise taxes by several hundred billion dollars just to get through Sept. 30, which is the end of the fiscal year. Or they **could acknowledge that the country would be unable to pay what it owes in full and the United States could effectively default on some of its obligations**. The first option would be impossible to execute without serious economic repercussions. **And** the second option **could cripple the economy and send world markets into a tailspin**. (Source CNNMoney)

# I/L – tanks Heg

## Failure to raise the debt ceiling destroys hegemony and military power

**Keyser Mineral Daily News Tribune** **5/21** (Charlie Meyer, Stephen Smoot, 5/21/11, " FACEOFF: Has the U.S. debt crisis reached the point where it poses a major ... ", <http://www.newstribune.info/opinions/columnists/x1555988515/FACEOFF-Has-the-U-S-debt-crisis-reached-the-point-where-it-poses-a-major-threat-to-the-nation-s-future>)

**We need a long-term strategy to provide for America's critical needs and sensible debt reduction, not dangerous daredevil stunts which imperil the “full faith and credit” of this nation. Increase the debt limit. The preeminence of the United States is under threat. Our economic, political, and even military power face potentially steep decline over the next few decades unless we can contain and defeat this emergent threat**. As we have discussed so many times before, the threat is debt. Everyone shares blame here. Democrats share blame because they back the expansion of social programs without figuring out the wherewithal to pay. Republicans share blame because we backed tax cuts without corresponding slashes in spending. Every congressman who ever went to his colleagues and successfully obtained money for some sort of cowboy poetry festival or something equally irrelevant is to blame. We here in West Virginia were the face of the problem for many years because we lauded Senator Byrd's vacuuming up of every spare federal dime possible. We all share the blame because the political system we have is built to promote the easy way out. Taxes must be cut to spur the economy, but every community wants their share of federal funds to increase. It all must stop somewhere. I would guess that up to this point, my esteemed liberal colleague and I are in full agreement. We will probably disagree on the finer points, but any thinking, reasonable person can see that we have a crisis. How to solve it is the question. We must not only find a way to pay down the debt, but also change the structure so that this does not happen again. Changing the structure will help bring resolution to the problem. Every year, West Virginia and several other states must make tough choices because their constitutions require a balanced budget. Sometimes they do some neat accounting tricks to make that happen, but they clearly cannot run up massive debts. Our federal constitution needs the same limitation. Don't spend more money than you take in. That's pretty simple. However, this merely opens the door to possible massive tax increases. The other side of this change is that we pass an amendment that mandates that no person or corporation may be charged more than 25% of their income in taxes in any given year. That includes income, gasoline, etc. So how do we get the budget balanced if we can only tax up to 25%? Simple. If we eliminated corporate subsidies and all tax breaks (except earned income credit) then the actual revenue might even increase. The difference is that certain companies and economic sectors would no longer get unfair advantages and would have to operate in a more free market system. Liberal congressmen can makes their constituencies happy by raising tax rates on big business, but still return a lot of that money back in breaks and subsidies. Eliminating breaks and subsidies while putting a ceiling on the tax rate creates a more fair marketplace while bringing in more revenue. Most importantly, as we have said before, Americans must rethink their expectations of government. We almost need a revolutionary change of mindset. In foreign affairs, we must remain pre-eminent, but we need not be dominant. Relying on European members of NATO, India, and other friendly democracies to pick up some of the slack of keeping order in the world is a necessity. Foreign actions are expensive. Also, **my layman's mindset understands why we need some of our expensive weaponry in case we ever engage a power such as Iran or China. But is it not possible to create a fleet of lower cost aircraft, for instance, to engage low level threats that pretty much only operate in two dimensions, such as the Somali pirates?** We should get creative in defense expenditures and not only think that the most expensive is always the best. Domestically, we have got to reduce costs and, again, we have discussed these ideas before. The Department of Education's existence has not resulted in a better education for public schoolchildren. In fact, its burdens on teachers may be driving away dome of the best and brightest from the field. Just get rid of it. The Department of Energy's functions could be divided between Commerce and Defense. In the future, new road and bridge construction should explore the possibility of private turnpikes and toll bridges. We cannot afford to maintain our current system and finish what we have, much less roads still in the proposal stage. In general, Americans need to come to grips with the fact that federal money just should not be used anymore for most local projects. The standard should be, is this absolutely necessary for the safety of life and property? Speaker of the House John Boehner's proposed $300 billion in cuts has provoked agitation from the Democrats, but it does not go far enough. The debt crisis will only be solved by fundamental changes, not simple cuts. It's not an issue of if, but when this debt will cripple our nation and start forcing us to scale back on truly necessary items like defense and the promises made by Medicare and Social Security.

# Economy Impacts- Nuclear War

## If the recession turns into a depression—multiple scenarios of nuclear war take place

James Cusick, 3/18/2009 Sunday Herald (Scotland)

http://www.sundayherald.com/oped/opinion/display.var.2495478.0.dont\_bank\_on\_financial\_trouble\_being\_resolved\_without\_conflict.php

I'm not saying that America is about to declare war on China, or that Germany is going to invade France. But there are profound economic stresses in central Europe that could rapidly turn into conflict in the bankrupt Baltic states, Hungary, Ukraine. And if the Great Recession, as the IMF's Dominique Strauss-Kahn called it last week, turns into a Great Depression, with a prolonged collapse in international trade and financial flows, then we could see countries like Pakistan disintegrate into **nuclear anarchy and war** with neighbouring India, which will itself be experiencing widespread social unrest. Collapsing China could see civil war too; Japan will likely re-arm; Russia will seek to expand its sphere of economic interests. Need I to go on?

## US economic decline causes great WMD wars

Nyquist ‘05 [J.R. renowned expert in geopolitics and international relations, WorldNetDaily contributing editor, “The Political Consequences of a Financial Crash,” February 4, www.financialsense.com/stormw...2005/0204.html]

Should the United States experience a severe economic contraction during the second term of President Bush, the American people will likely support politicians who advocate further restrictions and controls on our market economy – guaranteeing its strangulation and the steady pauperization of the country. In Congress today, Sen. Edward Kennedy supports nearly all the economic dogmas listed above. It is easy to see, therefore, that the coming economic contraction, due in part to a policy of massive credit expansion, will have serious political consequences for the Republican Party (to the benefit of the Democrats). Furthermore, an economic contraction will encourage the formation of anti-capitalist majorities and a turning away from the free market system. The danger here is not merely economic. The political left openly favors the collapse of America’s strategic position abroad. The withdrawal of the United States from the Middle East, the Far East and Europe would catastrophically impact an international system that presently allows 6 billion people to live on the earth’s surface in relative peace. Should anti-capitalist dogmas overwhelm the global market and trading system that evolved under American leadership, the planet’s economy would contract and untold millions would die of starvation. Nationalistic totalitarianism, fueled by a politics of blame, would once again bring war to Asia and Europe. But this time the war would be waged with mass destruction weapons and the United States would be blamed because it is the center of global capitalism. Furthermore, if the anti-capitalist party gains power in Washington, we can expect to see policies of appeasement and unilateral disarmament enacted. American appeasement and disarmament, in this context, would be an admission of guilt before the court of world opinion. Russia and China, above all, would exploit this admission to justify aggressive wars, invasions and mass destruction attacks. A future financial crash, therefore, must be prevented at all costs. But we cannot do this. As one observer recently lamented, “We drank the poison and now we must die.”

# Economy Impacts- Hegemony

## Economic strength is key to leadership:

Nina **Hachigian, 1/21/2010** (senior fellow at the Center for American Progress, <http://www.americanprogress.org/issues/2010/01/american_primacy.html>)

Kagan declines to mention domestic policy, yet rebuilding American strength is, at the end of the day, a task for us here at home. **Behind every great power is a great economy.** We can try to perpetuate our power and influence all we like, but if our economy doesn’t begin to grow steadily again in the years to come, all our scrimping will be for naught—we **simply will not be able to afford the tools** for an expansive foreign policy, not to mention rising living standards for future Americans. Growing American strength is not about rhetoric; it involves tough political choices. Getting politicians to prioritize long-term success over short-term gain is never easy.

## Global nuclear war

Zalmay Khalilzad, 1995 RAND, The Washington Quarterly, Spring

Under the third option, the United States would seek to retain global leadership and to preclude the rise of a global rival or a return to multipolarity for the indefinite future. On balance, this is the best long-term guiding principle and vision. Such a vision is desirable not as an end in itself, but because a world in which the United States exercises leadership would have tremendous advantages. First, the global environment would be more open and more receptive to American values -- democracy, free markets, and the rule of law. Second, such a world would have a better chance of dealing cooperatively with the world's major problems, such as nuclear proliferation, threats of regional hegemony by renegade states, and low-level conflicts. Finally, U.S. leadership would help preclude the rise of another hostile global rival, enabling the United States and the world to avoid another global cold or hot war and all the attendant dangers, including a global nuclear exchange. U.S. leadership would therefore be more conducive to global stability than a bipolar or a multipolar balance of power system.

## Economic strength key to hard power:

Nina **Hachigian, 1/21/2010** (senior fellow at the Center for American Progress, <http://www.americanprogress.org/issues/2010/01/american_primacy.html>)

The unifying theme of President Obama’s domestic agenda is retooling America so it can prosper in the global economy. That is what the health care debate, investments in basic science, green technologies, and public education are all about., not to mention the banking rules designed to prevent another bubble/bust cycle. All of these investments would be a lot easier if the last administration hadn’t committed a trillion dollars to a needless war. **Talk about squandering primacy.** America will bounce back. And it will continue to be an indispensible nation, not because of our unassailable power, but because of our ideas, our flexibility, and our leadership – the strengths that in fact enabled our still vast military superiority. Fortunately, Barack Obama has proven to be a leader that reads America’s virtues broadly, and enlists others in their promise. Perhaps it is simply too inclusive a world-view for those that miss the clarity of a bipolar ideological contest. But as Obama has pointed out, such clarity is a luxury we can no longer afford.

# Economy Impacts- US-China war

## Economic decline risks a nuclear war with China:

John **Chan, 2006** (26 June 2006, <http://www.wsws.org/articles/2006/jun2006/nucl-j26.shtml>)

The greatest danger of nuclear war does not come from China, **but from the US**. Since the collapse of the Soviet Union, Washington has been seeking to use its **military superiority increasingly aggressively to offset its long-term economic decline**, in particular to establish its dominance over the resource-rich regions of the Middle East and Central Asia. The Bush administration’s invasion of Afghanistan and Iraq, and threats against Iran have antagonised US rivals in Europe and Asia. The US preoccupation with China reflects deep concerns about Beijing’s economic expansion and growing political influence in Asia and globally. The Pentagon’s focus on China says more about US preparations for eventual war, **including a possible nuclear attack, against the Beijing regime**, than it does about China’s relatively limited military capacity.

The impact is extinction

Straits Times 2k [Jun 25, LEXIS]

THE high-intensity scenario postulates a cross-strait war escalating into a full-scale war between the US and China. If Washington were to conclude that splitting China would better serve its national interests, then a full-scale war becomes unavoidable. Conflict on such a scale would embroil other countries far and near and -- horror of horrors -- raise the possibility of a nuclear war. Beijing has already told the US and Japan privately that it considers any country providing bases and logistics support to any US forces attacking China as belligerent parties open to its retaliation. In the region, this means South Korea, Japan, the Philippines and, to a lesser extent, Singapore. If China were to retaliate, east Asia will be set on fire. And the conflagration may not end there as opportunistic powers elsewhere may try to overturn the existing world order. With the US distracted, Russia may seek to redefine Europe's political landscape. The balance of power in the Middle East may be similarly upset by the likes of Iraq. In south Asia, hostilities between India and Pakistan, each armed with its own nuclear arsenal, could enter a new and dangerous phase. Will a full-scale Sino-US war lead to a nuclear war? According to General Matthew Ridgeway, commander of the US Eighth Army which fought against the Chinese in the Korean War, the US had at the time thought of using nuclear weapons against China to save the US from military defeat. In his book The Korean War, a personal account of the military and political aspects of the conflict and its implications on future US foreign policy, Gen Ridgeway said that US was confronted with two choices in Korea -- truce or a broadened war, which could have led to the use of nuclear weapons. If the US had to resort to nuclear weaponry to defeat China long before the latter acquired a similar capability, there is little hope of winning a war against China 50 years later, short of using nuclear weapons. The US estimates that China possesses about 20 nuclear warheads that can destroy major American cities. Beijing also seems prepared to go for the nuclear option. A Chinese military officer disclosed recently that Beijing was considering a review of its "non first use" principle regarding nuclear weapons. Major-General Pan Zhangqiang, president of the military-funded Institute for Strategic Studies, told a gathering at the Woodrow Wilson International Centre for Scholars in Washington that although the government still abided by that principle, there were strong pressures from the military to drop it. He said military leaders considered the use of nuclear weapons mandatory if the country risked dismemberment as a result of foreign intervention. Gen Ridgeway said that should that come to pass, we would see the destruction of civilisation. There would be no victors in such a war. While the prospect of a nuclear Armaggedon over Taiwan might seem inconceivable, it cannot be ruled out entirely, for China puts sovereignty above everything else.

# Economy Impacts- AT: Past recession disproves

## Despite the past recession, it could be much worse if we can’t stave off another downturn

**Reich 7-13**-10 [Robert, professor of public policy at the University of California at Berkeley and former secretary of labor during the Clinton administration, “The root of economic fragility and political anger,” http://www.salon.com/news/great\_recession/?story=/news/feature/2010/07/13/reich\_economic\_anger]

**The crash of 2008 didn’t turn into another Great Depression because the government learned the importance of flooding the market with cash, thereby temporarily rescuing some stranded consumers and most big bankers. But the financial rescue didn’t change the economy’s underlying structure — median wages dropping while those at the top are raking in the lion’s share of income. That’s why America’s middle class still doesn’t have the purchasing power it needs to reboot the economy, and why the so-called recovery will be so tepid—maybe even leading to a double dip. It’s also why America will be vulnerable to even larger speculative booms and deeper busts in the years to come**.

## Continued worsening of the recession increases likelihood of war- naïve and foolish to think we can sit back and enjoy the recession:

Mead ‘09 [Walter Russell, Senior Fellow in U.S. Foreign Policy at the Council on Foreign Relations, New Republic, February 4, <http://www.tnr.com/politics/story.html?id=571cbbb9-2887-4d81-8542-92e83915f5f8&p=2>]

So far, such half-hearted experiments not only have failed to work; they have left the societies that have tried them in a progressively worse position, farther behind the front-runners as time goes by. Argentina has lost ground to Chile; Russian development has fallen farther behind that of the Baltic states and Central Europe. Frequently, the crisis has weakened the power of the merchants, industrialists, financiers, and professionals who want to develop a liberal capitalist society integrated into the world. **Crisis** can also **strengthen the hand of religious extremists, populist radicals, or authoritarian traditionalists** who are determined to resist liberal capitalist society for a variety of reasons. Meanwhile, the companies and banks based in these societies are often less established and more vulnerable to the consequences of a financial crisis than more established firms in wealthier societies. As a result, developing countries and countries where capitalism has relatively recent and shallow roots tend to suffer greater economic and political damage when crisis strikes--as, inevitably, it does. And, consequently, financial crises often reinforce rather than challenge the global distribution of power and wealth. This may be happening yet again. None of which means that we can just sit back and enjoy the recession. History may suggest that financial crises actually help capitalist great powers maintain their leads--but it has other, less reassuring messages as well. **If financial crises have been a normal part of life** during the 300-year rise of the liberal capitalist system under the Anglophone powers, **so has war.** **The wars of the League of Augsburg and the Spanish Succession; the Seven Years War; the American Revolution; the Napoleonic Wars; the two World Wars; the cold war**: The list of wars is almost as long as the list of financial crises. **Bad economic times can breed wars**. Europe was a pretty peaceful place in 1928, but **the Depression poisoned German public opinion and helped bring Adolf Hitler to power. If the current crisis turns into a depression, what rough beasts might start slouching toward Moscow, Karachi, Beijing, or New Delhi to be born?** **The United States** may not, yet, decline, but, if we can't get the world economy back on track, we **may still have to fight.**

# Economy Impacts- AT: US not key to global economy

## US is key to the global economy

**Yomiuri ‘09** [Daily, 1-3-9, Editorial (Tokyo), "Global economic revival hinges on U.S. recovery," Lexis]

The International Monetary Fund predicts that the global economy will further slow this year, with global economic growth rate in real terms to be only about 2 percent. It is the first time since the end of World War II that Japan, the United States and European countries will all register negative economic growth at the same time. China meanwhile is expected to see single-digit economic growth for the second consecutive year. Rise together, fall together The so-called decoupling theory, which posits that the economic doldrums of developed countries can be covered by the high growth of the newly emerging economies, has crumbled like cookies. The world cannot find a way out of simultaneous recessions in the absence of an economic engine. When will recovery of the global economy come? Even optimistic economists say the latter half of 2010 or later. The key factor is the recovery of the U.S. economy. In the United States, housing market conditions continue to deteriorate and the number of unemployed is sharply increasing. Consumer spending, which accounts for 70 percent of U.S. gross domestic product, also remains sluggish.

## Past bubble burst proves: US is key to global economy

David **Kampf, 2009** (former communications director for PEPFAR. May 7, 2009. Online. Internet. Accessed May 7, 2009 at <http://www.worldpoliticsreview.com/article.aspx?id=3717>)

The worldwide economic turmoil underlines the importance of the United States -- for better or worse -- to the global market. **As the U.S. goes, so goes the world**. When the American bubble burst, the speed with which the contagion spread beyond its borders is an illustration.

## Efforts to stabilize US financial markets will bolster the global economy by reassuring markets:

David **McCormick, 2008** (former under secretary for International Affairs in the U. S. Treasury Department, May 12, 2008, Newsweek. Online. Lexis/Nexis. Accessed, May 4, 2009).

Our friends around the world should gain confidence from the fact that U.S. policymakers and their international counterparts are taking aggressive, targeted actions **to stabilize the financial markets**, to reduce their impact on the economy and the individuals negatively affected by the turmoil and to protect against the same mistakes' being repeated. There are already some early indicators that these actions are beginning to have the desired effect, as markets appear to be gaining confidence and the availability of credit has improved modestly. Flexibility and resilience in the face of such unexpected financial-market turmoil and economic hardship are among America's greatest strengths. Our objective is to help individuals and markets recover as quickly as possible, while avoiding actions that cause new problems that would hurt our economy in the long run. This storm, too, shall pass, and the United States will emerge, as it always has, as a driver of growth and innovation for the global economy.

## Other nations can’t pick up the slack for the US economy- global investors will freak

David **Berman, 2007** (staff writer, Financial Post, October 30, 2007. Online. Lexis/Nexis. May 4, 2009)

If the U.S. economy slips into recession-- a very real possibility given the terrible state of the housing market there and its likely impact on consumer spending -- investors are betting that strong growth in places like China, India and Europe will pick up the slack. **But this remains to be seen**, since the global economy in past business cycles **has relied upon the United States as its primary driver**. Chinese authorities are raising interest rates in an effort to slow down an overheating economy that relies heavily on U.S. consumption. Despite strong growth in China's own consumer spending, exports remain a key element of the country's economic growth. Should that growth dip sharply from its current pace of 11%, investors could become alarmed that the global economy is not as impervious to a U.S. slowdown as they had originally believed.

# \*\*\*\*Debt Ceiling 2ac Answers\*\*\*\*

## (--) Link doesn’t assume asteroid mapping: our plan is much cheaper and not the long-term commitment people worry about.

## (--) No link--asteroids don’t get media interest nor is their an established constituency involved:

Taylor **Dinerman,** 7/20/20**09** (staff writer, <http://www.thespacereview.com/article/1418/1>)

Under the Bush Administration, a threat analysis matrix was used that divided possible conflicts according to probability and effects. Low-level global terrorism, for example, was regarded as highly likely to occur often but its effects were not seen as been in the same class with, say, a nuclear blast in downtown New York. This was the basis on which some of the early thinking that was done to study what might happen if an asteroid posed a risk to hit the Earth. The threat of a catastrophic celestial hit against planet Earth **carries little political weight**, due to **a lack of media interest** and the fact that the problem **does not fit into any of the normal government structures**.

## (--) Non-unique: Republicans will vote against a debt ceiling increase now:

Chris Stirewalt, 4/21/11 (staff writer, Fox News, " If We're Eight Days Away From the Start of a Global Depression, Why is Obama ... ", http://www.foxnews.com/politics/2011/04/21/days-away-start-global-depression-obama-kicking-cali/)

House Republicans are itching to get the fight going. House Majority leader Eric Cantor, tapped by Speaker John Boehner to represent the House GOP in the Biden negotiations, said Wednesday that “…if the president and our Democratic colleagues refuse to accept serious reforms that immediately reduce federal spending and end the culture of debt in Washington, we will not grant their request for a debt limit increase.” This is the strongest suggestion yet from Cantor that he is willing to actually say no to the Obama request.

## (--) No impact: Geithner has a range of tools at his disposal to prevent economic collapse:

Lori Montgomery, 4/21/2011 (staff writer, “Treasury quietly plans for failure to raise debt ceiling,”

<http://www.washingtonpost.com/business/economy/treasury-quietly-plans-for-failure-to-raise-debt-ceiling/2011/04/21/AFmo5PtE_story.html>)

The White House is warning that catastrophe will strike if Congress fails to raise the limit on the national debt: With too little cash to pay creditors, the U.S. government would default. Interest rates would skyrocket. And the economic recovery would collapse. But behind the scenes, Treasury Secretary Timothy F. Geithner has already begun juggling the books to conserve cash, draining a special account at the Federal Reserve. And with the debt forecast to hit the legal limit of $14.3 trillion in just a few weeks, he has a range of tools at his disposal, including borrowing money from a pension fund for federal workers.

## (---) No impact: Markets won’t over-react to failure to raise the debt ceiling:

Lori Montgomery, 4/21/2011 (staff writer, “Treasury quietly plans for failure to raise debt ceiling,”

<http://www.washingtonpost.com/business/economy/treasury-quietly-plans-for-failure-to-raise-debt-ceiling/2011/04/21/AFmo5PtE_story.html>)

“The administration has been exaggerating the consequences of all this,” Toomey said in an interview. “If we didn’t raise the debt limit when we reached it, we’d have the equivalent of a partial government shutdown, and the market knows very well that furloughing workers and suspending purchases of materials are not the same thing as defaulting on our bonds.”

## **(--) Markets scenario is non-unique:**

CBS News 4/27/2011 (" Treasury plans for failure to raise debt ceiling ", http://www.cbsnews.com/stories/2011/04/27/politics/washingtonpost/main20057912.shtml)

"I think the failure to meet any commitment would be viewed by the markets as default and would be deeply unnerving," said Robert Rubin, who, as Treasury secretary in the mid-1990s, prevented the debt from breaching the limit during the longest battle over the issue on record. "We don't know" what would happen in the event of default, Rubin said. "But I think it is totally irresponsible to take the risk of trying to find out." Markets are already uneasy about the looming battle over the debt ceiling, which promises to consume Congress when lawmakers return next week from their Easter break. Republican leaders are demanding strict controls on spending as a condition for raising the ceiling; Democratic leaders want a deficit-reduction trigger, which would automatically cut outlays and raise taxes if certain budget goals aren't met.

# Debt Ceiling 2ac Answers

## (--) Uniqueness overwhelms link: Republicans will eventually cave on the debt ceiling

Robert Robb, 4/27/11 (staff writer, Arizona Republic, " How GOP can win debt-ceiling fight ", http://www.azcentral.com/arizonarepublic/opinions/articles/2011/03/27/20110327robb27.html)

Republicans are tying themselves in knots trying to figure out what to demand from Democrats in exchange for votes to increase the debt ceiling. This is silly for two reasons. First, even if Republicans were to get their way completely on federal spending, the debt ceiling would still have to be increased - by a lot. Second, Republicans can win on the debt ceiling without breaking a sweat and without really negotiating with Democrats. Republicans have coalesced around the budget resolution developed by House Budget Chairman Paul Ryan, which passed the House with only four dissenting Republican votes. Under the Ryan plan, even if adopted in its entirety, the debt ceiling would have to be increased from its current $14.3 trillion to $23.1 trillion over the course of the next decade. This, believe it or not, is progress. Under the budget initially submitted by President Barack Obama, the debt ceiling would have to be increased to $26.3 trillion by 2021. Far from being a radical proposal, the Ryan plan actually provides a glide path to fiscal responsibility. It gets there, but more debt is accumulated in the process, requiring increases in the debt ceiling. Although the debt ceiling would have to be increased even if there wasn't a single Democrat in Washington, Republicans nevertheless believe it gives them tremendous leverage over Democrats in raising it. They are squabbling among themselves over what to ask in exchange: a balanced-budget amendment, a hard overall spending limit, or specific spending reductions? This is a mirage. Republicans actually have leverage only if they are willing to allow the debt ceiling not to be raised. They aren't.

## (--) Capital isn’t key – Obama makes the final call and GOP will compromise

Jason **Mattera**, Human Events, **1/28/2011**. “GOP must leverage debt ceiling vote,” http://www.humanevents.com/article.php?id=41444

Keep in mind that it is Obama, not the Republicans, who would be responsible for “default” or a “shutdown” if the Republicans attach a significant spending freeze and reduction amendment to a debt ceiling bill or continuing resolution, and Obama vetoed it. Republicans control the House and made significant gains in the Senate in the midterms. Therefore, **Democrats should cave in to their demands**.

# 1ar Non-Uniques: Debt Ceiling

## (--) Non-unique: Obama losing the debate on the debt ceiling now:

Peter Roff, 4/27/11 (staff writer, U.S. News & World Report, " Poll Shows Obama Is Losing the Debt Ceiling Debate ", http://www.usnews.com/opinion/blogs/peter-roff/2011/04/27/poll-shows-obama-is-losing-the-debt-ceiling-debate)

The latest national survey from Resurgent Republic shows that President Barack Obama is losing the argument over how best to handle the vote on raising the debt ceiling. “President Obama's request that Congress pass another increase in the federal debt limit and his argument that it should be a ‘clean' debt ceiling increase without preconditions limiting spending,” the groups reports, meets with overwhelming opposition from voters clearly frustrated by mounting federal debt.”

# Debt Ceiling 1ar: Republicans will cave

## Republicans will cave on the debt ceiling:

Robert Robb, 4/27/11 (staff writer, Arizona Republic, " How GOP can win debt-ceiling fight ", http://www.azcentral.com/arizonarepublic/opinions/articles/2011/03/27/20110327robb27.html)

Chasing the mirage, Republicans are headed in a bad direction. They will demand things Democrats won't be willing to give them. As the deadline approaches, pressure will build on Republicans not to cause the sort of havoc dawdling on the debt ceiling will create in financial markets and the operations of government. In the end, Republicans will have to settle for a face-saving Potemkin victory, as they did in the continuing resolution fight to fund the federal government for the remainder of this year. All this is astonishingly unnecessary. Republicans don't have to ask the Democrats for anything to win a very important victory on the debt ceiling. Instead, House Republicans just have to pass a debt-ceiling increase compatible with the Ryan budget numbers.

## History proves: Republicans will cave when Social Security checks don’t go out:

Lori Montgomery, 4/21/2011 (staff writer, “Treasury quietly plans for failure to raise debt ceiling,”

<http://www.washingtonpost.com/business/economy/treasury-quietly-plans-for-failure-to-raise-debt-ceiling/2011/04/21/AFmo5PtE_story.html>)

Rubin pioneered these strategies in 1995, at the start of the budget battles between President Bill Clinton and Republicans led by House Speaker Newt Gingrich (R-Ga.). As the fight dragged on through two government shutdowns, Rubin had to juggle the nation’s bills for 135 days. Finally, Clinton threatened to delay Social Security checks, spurring Congress to approve more borrowing to make sure the checks went out on time.

## (--) UQ overwhelms the link—debt ceiling will inevitably be raised:

Tad DeHaven, 2/22/11 **(**budge**t analyst at the Cato Institute,** Hill (blog) "The debt ceiling game ", <http://thehill.com/blogs/congress->blog/economy-a-budget/145435-the-debt-ceiling-game)

The latest installment in a decades-long series of showdowns on Capitol Hill over raising the statutory debt ceiling is imminent. The ceiling has been raised ten times in just the last nine years to make room for almost $8 trillion in additional debt. But the stakes are much higher this time around, as the electorate is showing increasing awareness of the danger of having allowed Uncle Sam to abuse his credit card.The Republicans’ reclamation of the House in November, due in part to a promise to address the government’s runaway debt, immediately set up a confrontation with the Obama administration over the need to raise the ceiling above $14.3 trillion at some point in the spring.When Republicans balked at the prospect of raising the debt ceiling without also reining in spending, the White House wasted little time in warning that GOP intransigence could usher in the apocalypse.Treasury Secretary Tim Geithner said that failing to increase the ceiling would result in “catastrophic economic consequences that would last for decades.” The president’s chief economic adviser, Austan Goolsbee, claimed that failure to do so would cause “a worse financial economic crisis than anything we saw in 2008.”Nice try.Back in 2006, then-Senator Barack Obama apparently wasn’t concerned about the “catastrophic economic consequences” when he voted against raising the debt ceiling. Obama told his Senate colleagues that “The fact that we are here today to debate raising America's debt limit is a sign of leadership failure…. Instead, Washington is shifting the burden of bad choices today onto the backs of our children and grandchildren.”Obama was correct then that raising the debt ceiling represented a failure of leadership – particularly that of then-President George W. Bush. Unfortunately, his own failure of leadership now as president is exacerbating the burden that Washington is foisting “onto the backs” of future generations.The White House’s alarmist rhetoric is intended to spook the public into the administration’s corner. The administration knows the debt ceiling will almost certainly once again be raised – it just wants to limit the amount of flesh the Republicans will be able to extract in return.

## (--) House speaker not pushing for default

Thai Press Reports, 2/2/2011, Lexis

Section: General News - **The speaker of the Republican-controlled** U.S. **House** of Representatives, John Boehner, has **said that the United States will not default on its debt**, but that the Obama administration must cut government spending. Experts say the U.S. government's debt limit could be reached as soon as March 31, and Congress must vote to approve raising the debt ceiling in order for the United States to take on more debt. Republicans swept last November's mid-term elections nationwide with promises to crack down on federal government spending in order to reduce the spiraling national debt. Some fiscally-conservative Tea Party Republican lawmakers have threatened to vote against raising the U.S. debt ceiling of $14.29 trillion when that limit is reached. Experts say that will likely happen sometime between late March and mid-May. But **in an interview with Fox News Sunday the new Republican House speaker, John Boehner, said a U.S. default on its financial obligations would be a disaster and is "not even on the table**." "That would be a financial disaster not only for our country, but for the worldwide economy. Remember, the American people on election-day said 'we want to cut spending and we want to create jobs.' And you can't create jobs if you default on the federal debt," he said.

## (--) No chance of debt ceiling default

Jim **O’Sullivan**, National Journal, **1/30/2011**. “Boehner, McConnell, Won’t Go There on Default, Showdown,” http://www.nationaljournal.com/member/congress/john-boehner-calls-debt-ceiling-increase-inevitable-20110130

The top Congressional Republicans continued on Sunday to call for President Barack Obama to join their efforts for dramatic spending cuts, but pulled up short of supporting fiscal measures that would lead to a national credit default or government shutdown. House Speaker John Boehner said that a default on government debt would lead to “financial disaster” and took off the table threats of withholding Republican support for a debt ceiling boost. Warning that he wanted Washington to heed voter-issued instructions to reduce spending, Boehner said, “There’s no limit to the amount of spending that we’re willing to cut.”

# Debt Ceiling 1ar: Geithner can stop the impact

## Geithner’s options will prevent economic Armageddon:

Lori Montgomery, 4/21/2011 (staff writer, “Treasury quietly plans for failure to raise debt ceiling,”

<http://www.washingtonpost.com/business/economy/treasury-quietly-plans-for-failure-to-raise-debt-ceiling/2011/04/21/AFmo5PtE_story.html>)

Geithner also has authority to pay investors first for interest they’re owed on the debt, according to a decades-old legal opinion. A growing number of conservatives argue that by making interest payments first, the government could avoid default and the Obama administration’s predictions of economic Armageddon.

## Geithner can keep the economy going till early July:

Lori Montgomery, 4/21/2011 (staff writer, “Treasury quietly plans for failure to raise debt ceiling,”

<http://www.washingtonpost.com/business/economy/treasury-quietly-plans-for-failure-to-raise-debt-ceiling/2011/04/21/AFmo5PtE_story.html>)

The debt is forecast to hit the limit in mid-May. Geithner has said he can keep the wolf from the door until early July. So far, the Treasury has nearly drained a $200 billion cash-management account at the Fed, providing a cushion of money to pay bills without new borrowing. Next, Geithner is likely to take a series of “extraordinary actions,” such as suspending the issuance of special securities that help state and local governments manage their own finances. Once the debt hits the limit, Geithner may declare a “debt issuance suspension period,” permitting him to borrow from the pension fund for federal workers.

## **Treasury has multiple options to prevent default even if the debt ceiling isn’t raised:**

CBS News 4/27/2011 (" Treasury plans for failure to raise debt ceiling ", http://www.cbsnews.com/stories/2011/04/27/politics/washingtonpost/main20057912.shtml)

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(--) No default even if the debt ceiling isn’t raised:

Lori Montgomery, 4/21/2011 (staff writer, “Treasury quietly plans for failure to raise debt ceiling,”

<http://www.washingtonpost.com/business/economy/treasury-quietly-plans-for-failure-to-raise-debt-ceiling/2011/04/21/AFmo5PtE_story.html>)

Last month, all 47 Senate Republicans voted for a measure sponsored by Sen. Patrick J. Toomey (R-Pa.) that would require Geithner to pay interest on the debt first. At $225 billion this year, the payments would be easily affordable, said Toomey, a former bond trader who headed the anti-tax Club for Growth until his election last year. While it would be “traumatic” to slash other obligations, Toomey said, keeping interest payments current would avoid default and preserve the nation’s sterling credit rating.

## (--) Failure to raise the debt ceiling won’t trigger economic catastrophe:

Lori Montgomery, 4/21/2011 (staff writer, “Treasury quietly plans for failure to raise debt ceiling,”

<http://www.washingtonpost.com/business/economy/treasury-quietly-plans-for-failure-to-raise-debt-ceiling/2011/04/21/AFmo5PtE_story.html>)

What are the consequences of default? There’s disagreement about that, too. Last week, in a paper titled “The Case for Default,” a Bank of America-Merrill Lynch analyst argued that hitting the debt limit might actually be a good thing, especially if the suspension of borrowing were brief and the political battle produced a plan to balance the nation’s books.

# Debt Ceiling 1ar: Geithner can stop the impact

**(--) Sale of State & Local securities solves bumping up against the ceiling:**

Reuters 3/21/2011 (3/21/11, " FACTBOX-US Treasury's tools to delay hitting debt limit ", http://www.reuters.com/article/2011/03/21/usa-debt-limit-idUSN0211689720110321)

The Treasury could suspend sales of State and Local Government Series securities, known as "slugs," which are special low interest-bearing Treasury securities offered to local governments and other tax-exempt entities for the investment of municipal bond-issue proceeds. Slugs, which count against the debt limit, were last halted in September 2007 to avoid hitting the ceiling then. So far in fiscal 2011, which began on Oct. 1, the Treasury has sold $42.9 billion in slugs to muni bond issuers.

## (--) Suspending payments to various funds avoids bumping against the debt ceiling:

Reuters 3/21/2011 (3/21/11, " FACTBOX-US Treasury's tools to delay hitting debt limit ", http://www.reuters.com/article/2011/03/21/usa-debt-limit-idUSN0211689720110321)

As it has in the past, the Treasury could suspend payments to the Civil Service Retirement and Disability Fund, a government employee pension fund. The government has recently been contributing an average of $5.8 billion to this fund per month. It would be required to replace any missed contributions and lost earnings. Based on Aug. 31 data, the GAO estimates that these moves could add up to $7.7 billion in borrowing capacity. The Treasury could dip into this seldom-used $50 billion fund earmarked to stabilize currency rates. Created during the Great Depression of the 1930s, the fund was last used as a backstop to guarantee money market mutual funds during the worst part of the financial crisis from September 2008 to September 2009. The GAO study estimated that this could increase borrowing capacity by $20.4 billion. To free up cash, the Treasury can halt reinvestment of another federal employee pension fund known as the G-Fund, which had net assets of about $125 billion at the end of 2010 invested in special short-term Treasury securities with maturities of one to four days. Normally, maturing assets in the G-Fund are reinvested daily. But the Treasury has statutory authority to retain a portion of the fund, as long as it provides proper notification and reimbursement for any lost earnings from the move. Such a move could temporarily claw back $122.3 billion in borrowing capacity.

## (--) No impact: Treasury can employ any number of measures to keep things going:

Washington Times, 2/10/2011 (<http://www.washingtontimes.com/news/2011/feb/10/debt-ceiling-debate-stirs-up-speculation/?page=2>)

The Treasury can employ a number of “exceptional measures” that would extend the deadline for passing a debt-ceiling increase by some estimates into July or August. Once the limit is reached, the government would either have to cut spending immediately or put off paying its debt obligations in a first-ever default on U.S. government securities. “Default by the U.S. Treasury could cause significant and long-lasting financial and economic disruption,” Mr. Wyss said, but “we don’t believe there is a significant chance of this occurring, as implied by our ‘AAA’ U.S. sovereign credit rating and its stable outlook.” Mr. Wyss added that “temporary delays in raising the debt ceiling will most likely have no effect because such delays have occurred many times before.”

# Debt Ceiling 1ar: No Market Over-reaction

## Markets won’t panic in failure to raise the debt ceiling:

CBS News 4/27/2011 (" Treasury plans for failure to raise debt ceiling ", http://www.cbsnews.com/stories/2011/04/27/politics/washingtonpost/main20057912.shtml)

Last month, all 47 Senate Republicans voted for a measure sponsored by Sen. Patrick J. Toomey (R-Pa.) that would require Geithner to pay interest on the debt first. At $225 billion this year, the payments would be easily affordable, said Toomey, a former bond trader who headed the anti-tax Club for Growth until his election last year. While it would be "traumatic" to slash other obligations, Toomey said, keeping interest payments current would avoid default and preserve the nation's sterling credit rating. "The administration has been exaggerating the consequences of all this," Toomey said in an interview. "If we didn't raise the debt limit when we reached it, we'd have the equivalent of a partial government shutdown, and the market knows very well that furloughing workers and suspending purchases of materials are not the same thing as defaulting on our bonds."

## (--) Impact empirically denied and other measures check

Veronique de Rugy, 2/3/2011 Ph.D., senior research fellow at the Mercatus Center at George Mason University, “The Truth About the Debt Ceiling,” http://reason.com/archives/2011/02/03/the-truth-about-the-debt-ceili/1

Myth 1: Failure to increase the debt ceiling is insanity. Unless we increase the debt ceiling, the U.S. government will default on its debt. Fact 1: The federal government has other options. If the debt ceiling is not increased, the Treasury Department can make interest and debt payment its first priority to avoid a default. Then it can essentially put the government on a stringent pay-as-you-go basis. The Obama administration warns of an economic armageddon if Congress doesn’t raise the debt ceiling. It is called “insanity” not to take the simple step of allowing the government to borrow more money. Treasury Secretary Timothy Geithner has warned that if we don’t increase the debt ceiling the U.S. would default, resulting in a bond market crash with disastrous impacts felt at home and abroad. Really? Technically, if the debt nears its statutory limit, the Treasury Department cannot issue new debt to manage short-term cash flows or manage the annual deficit—the government may therefore be unable to pay its bills. But in the real world things are different. First, if the debt ceiling is not increased it doesn’t mean the federal government will have to repay the entire debt at once. The government just won’t be able to increase its borrowing. Americans understand the difference between not being able to borrow more money and defaulting on one’s mortgage. Also, while Congress has never before refused to raise the debt ceiling, it has frequently taken its time about doing so (see the chart below). In 1985, for example, Congress waited nearly three months after the debt limit was reached before it authorized a permanent increase. In 1995, four and a half months passed between the time that the government hit its statutory limit and the time Congress acted. And in 2002, Congress delayed raising the debt ceiling for three months. It took three months to raise the debt limit back in 1985 as well. In none of those cases did the world end.

## (--) No link – hitting the debt ceiling would spur immediate action to raise it

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The silver lining in this otherwise dark cloud is that Congress has time to consider its options carefully. The matter is urgent but **not immediate**. If the federal government runs up against the debt limit, then the Treasury has tools to manage cash flow for a time before severe measures will be necessary to align the federal spending set in law with the receipts available to the Treasury. Treasury almost certainly will not default on its publicly issued debt. Nor will Congress imperil the standing of U.S. government debt in the credit markets, risking America’s “full faith and credit,” as the President’s chief economic adviser has said.