# Spending Disadvantage Index

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# Spending Disadvantage Shell

## A. Uniqueness: the United States is committed to reducing its deficit in the present system.

Richard Wolf, 2011 (staff writer, USA Today, May 4, 2011. “Deficit reduction talks face roadblocks.” Online. Accessed May 4, 2011 at <http://www.usatoday.com/news/washington/2011-05-04-taxes-entitlements-deficit-budget-talks_n.htm?csp=34news>

"This is the beginning of an important process," White House press secretary Jay Carney said Wednesday. "This creates the potential for a bipartisan compromise on some of this, at least. We expect progress to be made." How much progress is an open question. Both parties have agreed to seek about $4 trillion in deficit reduction over 10 to 12 years. Republicans led by House Budget Committee Chairman Paul Ryan of Wisconsin want major changes in Medicare and Medicaid. Obama and congressional Democrats favor a mix of lesser spending cuts and tax increases on upper-income Americans.

## B. Links: space exploration projects are incredibly expensive and risk skyrocketing the US deficit.

NASA Aerospace Technology Working Group, 2009 ENERGY CRISIS: SOLUTION FROM SPACE, 128-129.

As a nation striving to prosper and build our financial and technological strength during today's post-cold-war times and under an increasingly globalized and mutually dependent world economy, America cannot (and must not) afford another such huge spending space exploration program -- one that might end up winning (or even provoking) an unwanted space race, or winning tactical space goals (such as beating others in building a costly lunar post first), but ultimately end up failing the nation in skyrocketing debt, or hurting America's long-term interests from wasteful space programs of little strategic and economic values.

## C. Impacts:

## 1. Continued deficits risk a radical retrenchment of the US abroad.

Zalmay Khalilzad, 2011 (former US ambassador to the United Nations, National Review, “The Economy and National Security.” February 8, 2011. Online. Accessed May 4, 2011 at http://www.nationalreview.com /articles/259024/economy-and- national-security-zalmay-khalilzad?page=1)

Without faster economic growth and actions to reduce deficits, publicly held national debt is projected to reach dangerous proportions. If interest rates were to rise significantly, annual interest payments — which already are larger than the defense budget — would crowd out other spending or require substantial tax increases that would undercut economic growth. Even worse, if unanticipated events trigger what economists call a “sudden stop” in credit markets for U.S. debt, the United States would be unable to roll over its outstanding obligations, precipitating a sovereign-debt crisis that would almost certainly compel a radical retrenchment of the United States internationally. Such scenarios would reshape the international order. It was the economic devastation of Britain and France during World War II, as well as the rise of other powers, that led both countries to relinquish their empires. In the late 1960s, British leaders concluded that they lacked the economic capacity to maintain a presence “east of Suez.” Soviet economic weakness, which crystallized under Gorbachev, contributed to their decisions to withdraw from Afghanistan, abandon Communist regimes in Eastern Europe, and allow the Soviet Union to fragment. If the U.S. debt problem goes critical, the United States would be compelled to retrench, reducing its military spending and shedding international commitments.

## 2. US retrenchment risks major wars among the great powers.

Zalmay Khalilzad, 2011 (former US ambassador to the United Nations, National Review, “The Economy and National Security.” February 8, 2011. Online. Accessed May 4, 2011 at http://www.nationalreview.com /articles/259024/economy-and- national-security-zalmay-khalilzad?page=1)

We face this domestic challenge while other major powers are experiencing rapid economic growth. Even though countries such as China, India, and Brazil have profound political, social, demographic, and economic problems, their economies are growing faster than ours, and this could alter the global distribution of power. These trends could in the long term produce a multi-polar world. If U.S. policymakers fail to act and other powers continue to grow, it is not a question of whether but when a new international order will emerge. The closing of the gap between the United States and its rivals could intensify geopolitical competition among major powers, increase incentives for local powers to play major powers against one another, and undercut our will to preclude or respond to international crises because of the higher risk of escalation. The stakes are high. In modern history, the longest period of peace among the great powers has been the era of U.S. leadership. By contrast, multi-polar systems have been unstable, with their competitive dynamics resulting in frequent crises and major wars among the great powers. Failures of multi-polar international systems produced both world wars.

# Uniqueness Extensions

## A broad consensus for deficit reduction exists now.

Zalmay Khalilzad, 2011 (former US ambassador to the United Nations, National Review, “The Economy and National Security.” February 8, 2011. Online. Accessed May 4, 2011 at http://www.nationalreview.com /articles/259024/economy-and- national-security-zalmay-khalilzad?page=1)

The policy question is how to enhance economic growth and employment while cutting discretionary spending in the near term and curbing the growth of entitlement spending in the out years. Republican members of Congress have outlined a plan. Several think tanks and commissions, including President Obama’s debt commission, have done so as well. Some consensus exists on measures to pare back the recent increases in domestic spending, restrain future growth in defense spending, and reform the tax code (by reducing tax expenditures while lowering individual and corporate rates). These are promising options.

## Now is the key time for US deficit reduction.

Sally McNamara, 2011 (Heritage Foundation analyst , April 26, 2011, "Ten Economic Lessons from Europe for the US President", Online. Accessed May 4, 2011 at http://www.heritage.org/Research/Reports/2011/04/Ten-Economic-Lessons-from-Europe-for-the-US-President)

U.S. at a Crossroads Unlike many of its continental partners, the new Conservative-led government in Britain has chosen to swallow the bitter pills of austerity cuts and deficit reduction. Unfortunately, it swallowed a huge tax hike as well. Sweden, which is also outside the Eurozone, has successfully steered its economy through this crisis. Having learned valuable lessons in the 1990s, Sweden’s center-right government has chosen to incentivize work and maintain budget discipline, which has led to economic growth of 4.5 percent in 2010. The U.S. now faces a similar choice: It can continue to pursue the failed socialist policies that have put most of Western Europe in an economic hole, or it can learn from Britain and Sweden and allow the free market to weather the current storm. There is still time to make the right choice.

## The US recovery is gaining strength and market confidence is increasing.

 PR Newswire, May 3, 2011 (press release), " Financial Services M&A Activity to Accelerate in 2011 as Economic Conditions ... ", Online. Accessed May 4, 2011 at http://www.prnewswire.com/news-releases/financial-services-ma-activity-to-accelerate-in-2011-as-economic-conditions-improve-and-earnings-and-asset-quality-issues-stabilize-says-pwc-us-121149869.html).

"After years of focus on recovery, retrenchment and rebuilding balance sheets, the mindset of financial services firms is shifting to a more aggressive search for growth and competitive advantage," said John Marra, transaction services – financial services leader, PwC US. "Financial services companies are gaining confidence in the economic recovery, and they see stabilizing market valuations that remain well below pre-financial crisis levels. Many investors are seeking to diversify existing products or distribution channels with opportunistic strategic acquisitions."

## The US economy is still the strongest in the world.

Zalmay Khalilzad, 2011 (former US ambassador to the United Nations, National Review, “The Economy and National Security.” February 8, 2011. Online. Accessed May 4, 2011 at http://www.nationalreview.com /articles/259024/economy-and- national-security-zalmay-khalilzad?page=1)

Given the risks, the United States must focus on restoring its economic and fiscal condition while checking and managing the rise of potential adversarial regional powers such as China. While we face significant challenges, the U.S. economy still accounts for over 20 percent of the world’s GDP. American institutions — particularly those providing enforceable rule of law — set it apart from all the rising powers. Social cohesion underwrites political stability. U.S. demographic trends are healthier than those of any other developed country. A culture of innovation, excellent institutions of higher education, and a vital sector of small and medium-sized enterprises propel the U.S. economy in ways difficult to quantify. Historically, Americans have responded pragmatically, and sometimes through trial and error, to work our way through the kind of crisis that we face today.

# Links: Space Policies Spend Massive Amounts

## Space is incredibly expensive.

 James Logan, 2010 (Former Chief of Medical Operations, NASA), TURNING DUST TO GOLD: BUILDING A FUTURE ON THE MOON AND MARS, 2010, 265.

Space is too expensive. NASA was supposed to solve the 'cheap, reliable, robust' access to space problem. It failed miserably and continues to fail. The Shuttle is almost three times as expensive on a cost-per-pound basis to LEO as was the Saturn V ($4166 per pound vs. the Shuttle's $12,500 per pound in real dollars). Everything the Shuttle has ever launched into space is worth more than twice its weight in gold -- and that's just the transportation costs!

## Space is too expensive in the current economic climate.

NASA Aerospace Technology Working Group, 2009 ENERGY CRISIS: SOLUTION FROM SPACE, 2009, 132.

There are limited financial resources from the U.S. government, which is now struggling with unprecedented high budget deficit and is confronted with extremely costly ongoing wars. So it is nearly irresponsible to impose on the nation and its people an Apollo-like, huge spending lunar-based space exploration program.

## The optimistic affirmative cost estimates are wrong--space estimates always underestimate costs and overestimate performance.

William BC Crandall , (Founder Space Wealth), 2011. “Is Profitable Asteroid Mining A Pragmatic Goal?”

Online. Accessed April 14, 2011 at [http://spacewealth.org/files/Is-P@M-Pragmatic-2011-02-23.pdf](http://spacewealth.org/files/Is-P%40M-Pragmatic-2011-02-23.pdf).

8. Evolve Knowledge and Know How This may be the most difficult engineering task of all. Each generation of asteroid probes and sample return spacecrafts presents opportunities for competitive and evolutionary innovation. But such opportunities are also bedeviled by increasingly complex challenges of knowledge management.86 Internal and external studies find that those who plan space programs repeatedly and regularly underestimate costs and overestimate the performance of launch systems,87 instruments,88 and entire missions.89 “The most surprising result: none of these findings are new.”90

## NASA cost over-runs are commonplace.

William BC Crandall, 2011 (Founder Space Wealth), 2011. “Is Profitable Asteroid Mining A Pragmatic Goal?”

Online. Accessed April 14, 2011 at [http://spacewealth.org/files/Is-P@M-Pragmatic-2011-02-23.pdf](http://spacewealth.org/files/Is-P%40M-Pragmatic-2011-02-23.pdf).

90 “Despite the years of experience in executing spacecraft missions, the development of institutional standards, and the implementation of training programs, NASA projects still experience cost overruns resulting from basic project management and systems engineering issues.” Recurring problems: underestimating knowledge requirements, inadequate planning and integrated master schedules, and poor project documentation. Barley, Bryan, and Paul Gilbert. NASA Marshall Space Flight Center. Discovery and New Frontiers Program Office. And Marilyn Newhouse, Computer Sciences Corporation. “Improving the Life Cycle Cost Management of Planetary Missions: Final Report.” February 2010. p. 11, 12.

# Links: Affirmative Link Turns are False

## Supposed advances in technology could have happened from other types of spending on science

Amitai Etzioni, 2009 (University Professor, George Washington U.), BRING NASA BACK TO EARTH, Mar. 20, 2009. Retrieved Jan. 24, 2011 from <http://www.huffingtonpost.com/amitai-etzioni/bring-nasa-back-to-earth_b_177328.html>.

NASA claims that space exploration has led to all kinds of new technology--for instance, it maintains that the coatings that allow space capsules to withstand the heat of reentry are used to make better pots and pans. But deep-sea expeditions are likely to yield even greater benefits. In order to freely explore the oceans' deepest reaches, we must learn to construct submersibles that can handle extreme pressure, as much as 18,000 pounds per square inch. The resulting materials and techniques might help us design and construct homes that could withstand cyclones, hurricanes and earthquakes.

## Supposed advances in technology would have happened without space.

Raja Menon, 2009 (Chair, Task Force on National Assessment, National Security Council), SPACE SECURITY AND GLOBAL COOPERATION, 2009, 77.

This list is impressive; and if it is indeed true that these developments would not have come about but for the space programme, then the case is open and shut. But there is very little proof that these developments would not have taken place anyway, without the space programme, as part of normal scientific research.

## Technological spinoff claims are false—the same technologies would have been produced by other science spending.

John Hickman, 2010 (Prof., Political Science, Berry College), REOPENING THE SPACE FRONTIER, 2010, 122-123.

NASA's budget defenders often respond by pointing to the many products developed directly as a result of its crewed space missions. They may mention that airline deicers, computer joysticks, ergonomic chairs, fiberglass-filament pipes, freeze-dried food, hang gliders, heart rate monitors, implantable cardiac defibrillators, infrared thermometers, insulin delivery without injections, memory foam, memory metal, new adhesives, new plastics, rescue cutters, robotic surgery, smoke detectors, space pens, thermal cooking pins, ultraviolet absorbing sunglasses and virtual reality were developed from technologies for the crewed space program. They may also point to improvements in athletic shoes, baby food, biofeedback, cryosurgery, orthodontic braces, breast biopsy, burn treatment, emergency rescue blankets, golf ball and golf clubs, heart monitors, infrared detectors, insulation, knee braces, landmine removal, laptop computers, laser angioplasty, life rafts, osteoporosis detection and prevention, pacemakers, pool filters, ski boots, stadium roofs, traffic safety lights, and video cameras. The problem with this response is that these are byproducts of the space program rather than their purpose. If developing new or improved products like these had been the purpose then it would have been more rational for the government to subsidize research in computing, electronics, materials, health care, furniture and recreation directly.

## The jobs rationale for space spending is absurd.

Greg Easterbrook, 2010 (Staff, Reuters News Service), GET OVER THE MOON: WE NEED NASA TO SAVE THE EARTH, Apr. 15, 2010. Retrieved Jan. 24, 2011 from <http://blogs.reuters.com/gregg-easterbrook/tag/nasa/>.

A sure sign of the pork-barrel essence of the Moon-return idea is that proponents are going directly to the lamest possible arguments in its defense: jobs and China. You’ll hear a lot today, and in weeks to come, about how canceling the Moon return will cost jobs. NASA currently has $108 billion scheduled for spending on Constellation, with 6,000 jobs directly tied to the project. That’s $18 million per job created, an absurd amount. Washington could create more jobs by spending that $108 billion on something else, or better by not spending the money, returning capital to the free market.

# Impacts: Deficits Devastate the Economy

## Continued deficit reduction is crucial to restoring confidence in the US economy.

C. Fred Bergsten, 2009 (Peterson Institute for International Economics), 2009 (“The Dollar and the Deficits: How Washington Can Prevent the Next Crisis,” Online. Accessed May 4, 2011 at <http://www.iie.com/publications/papers/paper.cfm?ResearchID=1312>).

The root of the United States' problem is domestic, however. As soon as recovery from the current crisis permits, the United States must implement a responsible fiscal policy. It should adopt new measures in the near future—while the economy is still recovering—that can be implemented over the medium and long terms, as growth resumes and the country can accommodate fiscal tightening without risking another recession. Enacting such measures now would work to generate confidence as the United States continues to emphasize recovery and thus minimize the risk that both US Treasury securities and the dollar will come under suspicion in the markets—something that could, if it happened, jeopardize the recovery itself.

## Failure to tackle deficits will undermine the US economy.

Sally McNamara, 2011 (Heritage Foundation analyst , April 26, 2011, "Ten Economic Lessons from Europe for the US President", Online. Accessed May 4, 2011 at http://www.heritage.org/Research/Reports/2011/04/Ten-Economic-Lessons-from-Europe-for-the-US-President)

1. Financial Markets Will Eventually Lose Patience. The primary lesson from the Eurozone sovereign debt crisis is that running large deficits and accumulating debt with no indication of changing will always translate into higher interest payments and likely higher interest rates, meaning more tax revenue will be consumed just paying for past fiscal sins. Greece, Ireland, and Portugal are now facing interest rates of 13 percent, 10 percent, and 9 percent, respectively, and still face the very real possibility of defaulting. The U.S. is on dangerous ground by not tackling its current and future deficits with enough urgency. The Obama Administration seems to be relying on markets continuing to provide it with near unlimited liquidity at reasonable rates. But this cannot last forever. Even absent a fiscal correction, interest rates are widely expected to rise substantially in the next few years as the global economy rebounds. For example, the Administration forecasts a rise in the 10-year Treasury rate of 230 basis points. Add in the ongoing deficits, and investors will eventually give the United States the Irish treatment, raising the cost of borrowing much more.

## Reducing the deficit is crucial to building a sustainable recovery over the long haul.

C. Fred Bergsten, 2009 (Peterson Institute for International Economics), 2009 (“The Dollar and the Deficits: How Washington Can Prevent the Next Crisis,” Online. Accessed May 4, 2011 at <http://www.iie.com/publications/papers/paper.cfm?ResearchID=1312>).

Even as efforts to recover from the current crisis go forward, the United States should launch new policies to avoid large external deficits, balance the budget, and adapt to a global currency system less centered on the dollar. Although it will take a number of years to fully implement these measures, they should be initiated promptly both to bolster confidence in the recovery and to build the foundation for a sustainable US economy over the long haul. This is not just an economic imperative but a foreign policy and national security one as well.

## Failure to maintain deficit reduction policies devastate the markets.

Sally McNamara, 2011 (Heritage Foundation analyst , April 26, 2011, "Ten Economic Lessons from Europe for the US President", Online. Accessed May 4, 2011 at http://www.heritage.org/Research/Reports/2011/04/Ten-Economic-Lessons-from-Europe-for-the-US-President)

10. Credibility Counts. People often complain about politicians being all talk and no (or unwise) action. Never is this truer than in an economic crisis. Financial markets respond poorly if they believe that a government has lost the ability or willingness to act responsibly. Both the public and the markets punish those who do not produce real, credible policies and act decisively. And once a government loses its credibility, it is nearly impossible to find a way back.

## Large deficits risk financial meltdowns.

C. Fred Bergsten, 2009 (Peterson Institute for International Economics), 2009 (“The Dollar and the Deficits: How Washington Can Prevent the Next Crisis,” Online. Accessed May 4, 2011 at <http://www.iie.com/publications/papers/paper.cfm?ResearchID=1312>).

A first step is to recognize the dangers of standing pat. For example, the United States' trade and current account deficits have declined sharply over the last three years, but absent new policy action, they are likely to start climbing again, rising to record levels and far beyond. Or take the dollar. Its role as the dominant international currency has made it much easier for the United States to finance, and thus run up, large trade and current account deficits with the rest of the world over the past 30 years. These huge inflows of foreign capital, however, turned out to be an important cause of the current economic crisis, because they contributed to the low interest rates, excessive liquidity, and loose monetary policies that—in combination with lax financial supervision—brought on the overleveraging and underpricing of risk that produced the meltdown. It has long been known that large external deficits pose substantial risks to the US economy because foreign investors might at some point refuse to finance these deficits on terms compatible with US prosperity. Any sudden stop in lending to the United States would drive the dollar down, push inflation and interest rates up, and perhaps bring on a hard landing for the United States—and the world economy at large. But it is now evident that it can be equally or even more damaging if foreign investors do finance large US deficits for prolonged periods.

# Impacts: Deficits Devastate the Economy

## Massive debt triggered the previous recession.

Zalmay Khalilzad, 2011 (former US ambassador to the United Nations, National Review, “The Economy and National Security.” February 8, 2011. Online. Accessed May 4, 2011 at http://www.nationalreview.com /articles/259024/economy-and- national-security-zalmay-khalilzad?page=1)

The current recession is the result of a deep financial crisis, not a mere fluctuation in the business cycle. Recovery is likely to be protracted. The crisis was preceded by the buildup over two decades of enormous amounts of debt throughout the U.S. economy — ultimately totaling almost 350 percent of GDP — and the development of credit-fueled asset bubbles, particularly in the housing sector. When the bubbles burst, huge amounts of wealth were destroyed, and unemployment rose to over 10 percent. The decline of tax revenues and massive countercyclical spending put the U.S. government on an unsustainable fiscal path. Publicly held national debt rose from 38 to over 60 percent of GDP in three years.

## Large deficits risk replication of the previous financial crisis.

C. Fred Bergsten, 2009 (Peterson Institute for International Economics), 2009 (“The Dollar and the Deficits: How Washington Can Prevent the Next Crisis,” Online. Accessed May 4, 2011 at <http://www.iie.com/publications/papers/paper.cfm?ResearchID=1312>).

US policymakers, therefore, must recognize that large external deficits, the dominance of the dollar, and the large capital inflows that necessarily accompany deficits and currency dominance are no longer in the United States' national interest. Washington should welcome initiatives put forward over the past year by China and others to begin a serious discussion of reforming the international monetary system. If the rest of the world again finances the United States' large external deficits, the conditions that brought on the current crisis will be replicated.

## Large deficits create a triple threat to the US economy.

C. Fred Bergsten, 2009 (Peterson Institute for International Economics), 2009 (“The Dollar and the Deficits: How Washington Can Prevent the Next Crisis,” Online. Accessed May 4, 2011 at <http://www.iie.com/publications/papers/paper.cfm?ResearchID=1312>).

This untenable scenario highlights a grave triple threat for the United States. If the rest of the world again finances the United States' large external deficits, the conditions that brought on the current crisis will be replicated and the risk of calamity renewed. At the same time, increasing US demands on foreign investors would probably become unsustainable and produce a severe drop in the value of the dollar well before 2030, possibly bringing on a hard landing. And even if the United States were lucky enough to avoid future crises, the steadily rising transfer of US income to the rest of the world to service foreign debt would seriously erode Americans' standards of living.

## Spending cutbacks are necessary to save the US economy.

Zalmay Khalilzad, 2011 (former US ambassador to the United Nations, National Review, “The Economy and National Security.” February 8, 2011. Online. Accessed May 4, 2011 at http://www.nationalreview.com /articles/259024/economy-and- national-security-zalmay-khalilzad?page=1)

The key remaining question is whether the president and leaders of both parties on Capitol Hill have the will to act and the skill to fashion bipartisan solutions. Whether we take the needed actions is a choice, however difficult it might be. It is clearly within our capacity to put our economy on a better trajectory. In garnering political support for cutbacks, the president and members of Congress should point not only to the domestic consequences of inaction — but also to the geopolitical implications.

## Continued US deficits undermine US exchange rates—crippling the US economy.

C. Fred Bergsten, 2009 (Peterson Institute for International Economics), 2009 (“The Dollar and the Deficits: How Washington Can Prevent the Next Crisis,” Online. Accessed May 4, 2011 at <http://www.iie.com/publications/papers/paper.cfm?ResearchID=1312>).

The current crisis, however, starkly reveals the folly of blithely funding increasing US deficits. To be sure, China and other large foreign investors in the dollar did not force US financial institutions to make stupid subprime loans and ignore traditional credit standards. Nor did they force the US government and US financial regulators to conduct policies that were lax to the point of indifference. But the huge inflows of foreign capital to the United States—which rose steadily from the mid-1990s and reached record levels for several consecutive years until 2006—depressed interest rates by at least 100 and perhaps by as many as 200 basis points. They facilitated, if not overtly induced, the overleveraging and underpricing of risk. Meanwhile, US regulatory authorities were lulled into complacency. Even when the US Federal Reserve raised short-term interest rates in 2005, the influx of foreign funds kept long-term rates down and prevented the intended tightening of the money supply. Moreover, the international role of the dollar makes it difficult, if not impossible, for the United States to keep its currency at the exchange rate that would support prosperity and stability in the US economy. This is because the exchange rate of the US dollar is, in large measure, the residual outcome of other countries using dollars to intervene in currency markets to meet their own exchange-rate targets: by weakening their own currencies to enhance trade competitiveness, they push the dollar toward overvaluation. This problem became so acute under the postwar regime of globally fixed exchange rates that the Nixon administration had to destroy the entire system in order to obtain needed dollar devaluations in 1971 and 1973.

# Impacts: Deficits Devastate the Economy

## High deficits choke off economic growth.

C. Fred Bergsten, 2009 (Peterson Institute for International Economics), 2009 (“The Dollar and the Deficits: How Washington Can Prevent the Next Crisis,” Online. Accessed May 4, 2011 at <http://www.iie.com/publications/papers/paper.cfm?ResearchID=1312>).

Even with this relatively good news, however, the United States' position as an international debtor has continued to rise, mainly as a result of its ongoing current account deficit. The United States' net external debt climbed by more than $1.3 trillion in 2008 alone, to reach almost $3.5 trillion by the end of the year. Moreover, it appears that the recent improvement in the United States' external position is temporary and is likely to be reversed in the near future. The chief reason is the outsized budget deficit that the CBO and all other credible analysts project will last for at least the next decade and probably beyond. After nearing $1.5 trillion in the current fiscal year—more than three times the previous record—the internal deficit is likely to remain close to $1 trillion annually until 2020 or later. It could get even higher, depending on the future course of the economy (which will probably experience lower productivity growth) and government policies (which may fail to cut the costs of health care and other entitlement programs or to generate the additional revenues needed to pay for them). These higher budget deficits promote higher trade and current account deficits for two reasons. First, on the "real" side of the economy, they push up domestic demand to a level that, when combined with natural levels of private consumption and investment, exceeds potential domestic output. This shortfall is met with the import of goods and services, which enables the United States to live beyond its means as long as the financing is available. Second, budget deficits stimulate inflows of foreign capital. Domestic saving is inadequate to meet the demand on the world's credit markets created by US government borrowing and to fund a healthy level of private investment. This shortfall is met with capital from abroad. The chief mechanism through which higher internal deficits lead to higher external deficits is the exchange rate of the dollar. The additional debt that the government takes on to finance the budget imbalance increases US interest rates, which is undesirable in purely domestic terms because higher interest rates crowd out private investment and choke growth. High interest rates also attract large inflows of foreign capital, which, although they offset the crowding-out effect, work to push up the value of the dollar. This has an adverse effect on the competitiveness of US companies that export goods or compete with imports on the US market, and it expands the United States' trade and current account deficits.

## High deficits risk a capital flight from the United States.

C. Fred Bergsten, 2009 (Peterson Institute for International Economics), 2009 (“The Dollar and the Deficits: How Washington Can Prevent the Next Crisis,” Online. Accessed May 4, 2011 at <http://www.iie.com/publications/papers/paper.cfm?ResearchID=1312>).

Budget rectitude is the only reliable instrument for preserving a viable level of external deficit. These projections suggest that the United States' annual current account deficit will thus climb to almost $6 trillion by 2030, more than seven times its previous high. Such a sum would account for more than 15 percent of GDP, or two and a half times the peak rate of 2006, and would be at least triple the accepted international norm for sustainable current account deficits, which is four or, at most, five percent of GDP. Under this scenario, the net international investment position, or net foreign debt, of the United States would exceed $50 trillion, or 140 percent of GDP—more than triple the accepted international norm of about 40 percent. Some observers believe that the United States has a longer leash than most states in this respect thanks to the importance of the dollar. But this role is likely to decline over the coming years. Moreover, it is not even clear whether the dollar's global prominence strengthens or weakens the ability of the United States to finance large deficits. Gross foreign dollar holdings—projected to exceed $80 trillion by 2030, compared with about $20 trillion today—provide ample scope for conversions out of the dollar, and these would make it even harder for the United States to fund deficits on the scale that Cline projects is necessary. Any such run on the dollar could also be triggered by capital flight from within the United States, as US investors become aware of the increasing inviability of the US economic position.

# Internals: US Economy Key to Global Economy

##  The US Economy is key to the world economy.

Kevin Hall, 2010. (staff writer). April 30, 2010. “U.S. economy grew briskly in first quarter, government says.” Online. Internet. Accessed May 1, 2010 at <http://www.miamiherald.com/2010/04/30/1606734/>us-economy-grew-briskly-in-first.html

If sustained, the upturn in U.S. consumption would be good news for the whole world, since the United States remains the key global economic engine. "What was particularly encouraging about today's GDP numbers is that U.S. consumption appears to be on a strong recovery path," said Frederic Neumann, co-head of Asian Economic Research for the global Hong Kong bank HSBC. Friday's GDP numbers were in line with a revised forecast from the International Monetary Fund, which predicted earlier in April that the world's economy would grow at a rate above 4 percent this year, significantly better than its initial 1.9 percent forecast.

## US economic declines undermine the world 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.

## The US is key to the global economy.

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.

## The US economy is vital to the Asian economy.

Associated Press, 2009 (May 4, 2009. Online. Internet. Accessed at <http://www.google.com/hostednews/ap/article/ALeqM5jXPJmkJdyKGBu_J5HvhnfYCkYAzgD97VBSE80>)

Asian stock markets soared Monday, led by gains of 5 percent or more in Hong Kong, Taiwan, Singapore and India, amid upbeat economic signs from China and the United States. European markets opened higher, too. Investors were cheered by a survey of purchasing managers at Chinese manufacturers that rose for a second month in April. U.S. manufacturing activity in April also posted its best showing since September, suggesting that American economy — a vital export market for Asia — might be stabilizing. Futures pointed to a higher open on Wall Street Monday.

# Impacts: Economic Decline Risks War

## Another extended global economic breakdown risks armed conflicts that threaten our survival.

Phil Kerpen 2008 (policy director for Americans for Prosperity). “From Panic to Depression?” Oct. 28, 2008. Online. Internet. Accessed May 1, 2010 at [http://article.nationalreview.com/? q=OWQ3ZGYzZTQyZGY4ZWFiZWUxNmYwZT JiNWVkMTIxMmU=](http://article.nationalreview.com/?%20q=OWQ3ZGYzZTQyZGY4ZWFiZWUxNmYwZT%20JiNWVkMTIxMmU=)

It’s important that we avoid all these policy errors — not just for the sake of our prosperity, but for our survival. The Great Depression, after all, didn’t end until the advent of World War II, the most destructive war in the history of the planet. In a world of nuclear and biological weapons and non-state terrorist organizations that breed on poverty and despair, another global economic breakdown of such extended duration would risk armed conflicts on an even greater scale.

## A global economic recovery is key to prevent a nuclear World War III

Sean O'Donnell, 2009 (staff writer). Baltimore Republican Examiner. "Will this recession lead to World War III?," February 26, 2009. Online. Internet. Accessed May 1, 2010 at Baltimore Republican Examiner 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.

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

James Cusick, 2009 (staff writer). March 18, 2009. Sunday Herald (Scotland). Online. Internet. Accessed May 1, 2010 at

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?

# Impacts: Economic Decline Undermines US Leadership

## Failure to control the budget deficit undermines US leadership.

C. Fred Bergsten, 2009 (Peterson Institute for International Economics), 2009 (“The Dollar and the Deficits: How Washington Can Prevent the Next Crisis,” Online. Accessed May 4, 2011 at <http://www.iie.com/publications/papers/paper.cfm?ResearchID=1312>).

Balancing the budget is the only reliable policy instrument for preventing such a buildup of foreign deficits and debt for the United States. As soon as the US economy recovers from the current crisis, it is imperative that US policymakers restore a budget that is balanced over the economic cycle and, in fact, runs surpluses during boom years. Measures that could be adopted now and phased in as growth is restored include containing the cost of medical care, reforming Social Security, and enacting new taxes on consumption. The US government's continued failure to responsibly address the fiscal future of the United States will imperil its global position as well as its future prosperity. The country's fate is already largely in the hands of its foreign creditors, starting with China but also including Japan, Russia, and a number of oil-exporting countries. Unless the United States quickly achieves and maintains a sustainable economic position, its ability to pursue autonomous economic and foreign policies will become increasingly compromised.

## A quick economic recovery is crucial to US leadership.

Bruce Crumley, 2009 (staff writer, February 25, 2009. Online. Internet. Accessed, April 1, 2009. (<http://watchmannewsletter.typepad.com/news/2009/02/is-the-economic-crisis-a-security-threat-too.html>)

But the signs are there that, as President Barack Obama's intelligence chief Admiral Dennis Blair warned last week, the economic crisis may be the source of the primary threat to global security right now. Security experts note that the economic downturn is already creating social unrest and political instability in some strategic hot spots around the world, and they warn that a prolonged slump could undermine U.S. and Western security interests. Blair, addressing the Senate Intelligence Committee on Feb. 12, prioritized the global recession as America's "primary near-term security concern" and warned that the threat level would increase as the slump endures. "The longer it takes for the recovery to begin, the greater the likelihood of serious damage to U.S. strategic interests," Blair warned, emphasizing the danger of political instability in countries allied with Washington. "Economic crises increase the risk of regime-threatening instability if they persist over a one-to-two-year period." (See pictures of the global food crisis.) Part of the strategic challenge posed by the downturn lies in the realm of the economy itself. Emerging powers such as China or India could take the opportunity presented by U.S. economic weakness to extend their own influence in regions traditionally dominated by the U.S. China, in particular, has already established itself as a major player in Latin America and Africa, and it is investing heavily in extractive industries across the globe right now, procuring energy supplies — most recently in new oil deals inked with Russia, Venezuela and Brazil — and other natural resources for its industrial economy.

## Economic strength is key to leadership.

Nina Hachigian, 2010. (senior fellow at the Center for American Progress). January 21, 2010. Online. Internet. Accessed May 1, 2010 at <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.

## A decline in the US economy leads to a decline in US leadership.

Robert A. Pape, 2009 (professor of political science at the University of Chicago). “Empire Falls.” Online. Internet. Accessed April 26, 2010 at <http://www.nationalinterest.org/Article.aspx?id=20484>

For the past eight years, our policies have been based on these flawed arguments, while the ultimate foundation of American power—the relative superiority of the U.S. economy in the world—has been in decline since early on in the Bush administration. There is also good reason to think that, without deliberate action, the fall of American power will be more precipitous with the passage of time. To be sure, the period of U.S. relative decline has been, thus far, fairly short. A healthy appreciation of our situation by American leaders may lead to policies that could mitigate, if not rectify, further decline in the foreseeable future. Still, America’s shrinking share of world economic production is a fact of life and important changes in U.S. grand strategy are necessary to prevent the decline in America’s global position from accelerating.

## A relative economic decline undermines US power.

Robert A. Pape, 2009 (professor of political science at the University of Chicago). “Empire Falls.” Online. Internet. Accessed April 26, 2010 at <http://www.nationalinterest.org/Article.aspx?id=20484>

FROM ROME, Imperial China, Venice, Spain, France, Great Britain and the Soviet Union to the United States today, the rise and fall of great nations has been driven primarily by relative economic strength. As Paul Kennedy so ably describes in his classic The Rise and Fall of Great Powers, the more international commitments a state has, the more its power matters and hence the more relative economic strength it needs. Although scholars have long debated its nuances, the basic definition of power in international politics is simple: power is the aggregate resources a state has at its disposal to achieve its aims, the most important of which are to defend its national interests, both at home and abroad.1 But it is not only how much power a state has that matters. It is also how much power a state has relative to other states. This is true in any rough-and-tumble environment. A Ford Explorer is a powerful vehicle—unless it collides with a Mack Truck. In international politics, power does not ensure success. But, power certainly helps.

# Impacts: Economic Decline Undermines US Leadership

## America’s power is fundamentally a result of its economic strength.

Robert A. Pape, 2009 (professor of political science at the University of Chicago). “Empire Falls.” Online. Internet. Accessed April 26, 2010 at <http://www.nationalinterest.org/Article.aspx?id=20484>

Over time, America’s power is fundamentally a result of its economic strength. Productive capacity—defined by indicators such as wealth, technology and population size—is a prerequisite for building and modernizing military forces. The United States, like any state, may choose to vary the degree to which its productive capacities are used to create military assets. But it is the economy as a whole that constrains the choice. And the size of the economy relative to potential rivals ultimately determines the limits of power in international politics. Major assessments of this relative position have long turned heavily on a single statistic: America’s share of world economic product.

## Stronger growth rates strengthen US leadership.

Robert A. Pape, 2009 (professor of political science at the University of Chicago). “Empire Falls.” Online. Internet. Accessed April 26, 2010 at <http://www.nationalinterest.org/Article.aspx?id=20484>

The answers are pretty straightforward. Had the American economy grown at the (Clinton) rate of 3.7 percent per year from 2000 to 2008 instead of the (Bush) rate of 2.2 percent, the United States would have had a bigger economy in absolute terms and would have lost less power relative to others. Assuming the rest of the world continued at its actual rate of growth, America’s share of world product in 2008 would have risen to 25.2 percent instead of its actual 23.1 percent.6 When compared to the share of gross world product lost by the United States from 2000 to 2008—7.7 percent—the assumed marginal gain of 2.1 percent of world product amounts to some 27 percent of the U.S. decline.

# Impacts: Leadership Solves for World War

## American retrenchment risks arms races and all out conflict.

Zalmay Khalilzad, 2011 (former US ambassador to the United Nations, National Review, “The Economy and National Security.” February 8, 2011. Online. Accessed May 4, 2011 at http://www.nationalreview.com /articles/259024/economy-and- national-security-zalmay-khalilzad?page=1)

American retrenchment could have devastating consequences. Without an American security blanket, regional powers could rearm in an attempt to balance against emerging threats. Under this scenario, there would be a heightened possibility of arms races, miscalculation, or other crises spiraling into all-out conflict. Alternatively, in seeking to accommodate the stronger powers, weaker powers may shift their geopolitical posture away from the United States. Either way, hostile states would be emboldened to make aggressive moves in their regions.

## Failure of the US to get its economic house in order risks the rise of a hostile China.

Zalmay Khalilzad, 2011 (former US ambassador to the United Nations, National Review, “The Economy and National Security.” February 8, 2011. Online. Accessed May 4, 2011 at http://www.nationalreview.com /articles/259024/economy-and- national-security-zalmay-khalilzad?page=1)

As the United States gets its economic and fiscal house in order, it should take steps to prevent a flare-up in Asia. The United States can do so by signaling that its domestic challenges will not impede its intentions to check Chinese expansionism. This can be done in cost-efficient ways. While China’s economic rise enables its military modernization and international assertiveness, it also frightens rival powers. The Obama administration has wisely moved to strengthen relations with allies and potential partners in the region but more can be done. Some Chinese policies encourage other parties to join with the United States, and the U.S. should not let these opportunities pass. China’s military assertiveness should enable security cooperation with countries on China’s periphery — particularly Japan, India, and Vietnam — in ways that complicate Beijing’s strategic calculus. China’s mercantilist policies and currency manipulation — which harm developing states both in East Asia and elsewhere — should be used to fashion a coalition in favor of a more balanced trade system. Since Beijing’s over-the-top reaction to the awarding of the Nobel Peace Prize to a Chinese democracy activist alienated European leaders, highlighting human-rights questions would not only draw supporters from nearby countries but also embolden reformers within China. Since the end of the Cold War, a stable economic and financial condition at home has enabled America to have an expansive role in the world. Today we can no longer take this for granted. Unless we get our economic house in order, there is a risk that domestic stagnation in combination with the rise of rival powers will undermine our ability to deal with growing international problems. Regional hegemons in Asia could seize the moment, leading the world toward a new, dangerous era of multi-polarity.

## Chinese hegemony causes US intervention and great power war.

Dale Walton, 2007 (Reading University International Relations lecturer) 2007 (Geopolitics and the Great Powers in the 21st Century, p. 49)

 Obviously, it is of vital important to the United States that the PR does not become the hegemony of Eastern Eurasia. As noted above, however, regardless of what Washington does, China’s success in such an endeavor is not as easily attainable as pessimists might assume. The PRC appears to be on track to be a very great power indeed, but geopolitical conditions are not favorable for any Chinese effort to establish sole hegemony; a robust multi-polar system should suffice to keep China in check, even with only minimal American intervention in local squabbles. The more worrisome dangers is that Beijing will cooperate with a great power partner, establishing a very muscular axis. Such an entity would present a critical danger to the balance of power, thus both necessitating very active American intervention in Eastern Eurasia and crating the underlying conditions for a massive, and probably nuclear , great power war. Absent such a “super-threat,” however, the demands on American leaders will be far more subtle: creating the conditions for Washington’s gentle decline from playing the role of unipolar quasi-hegemon to being “merely’ the greatest of the world’s powers, while aiding in the creation of a healthy multi-polar system that is not marked by close great power alliances.

## US leadership is essential to solve world problems like nuclear proliferation and climate change.

Julian Borger, 2008 (Diplomatic editor, The Guardian, November 6, 2008. Online. Internet. Accessed May 1, 2009).

The core idea essentially turns the Bush doctrine on its head. It argues that the main problems facing America in the 21st century - terrorism, nuclear proliferation, climate change and dependence on fossil fuels - cannot by addressed by one country acting alone or even in concert with traditional allies. As Obama said in his first major foreign policy address, in Chicago last year: "The threats we face at the dawn of the 21st century can no longer be contained by borders and boundaries." The aim would be to restore America's global leadership in a world that is no longer unipolar. It would be achieved not primarily through military force (although the Obama team are at pains to stress they are not traditional liberal doves), but through soft power, exemplary action and networking among governments, inside and outside formal international organisations, to address specific problems. Nuclear and climate change An Obama White House would seek to take the initiative on the two existential issues facing the planet: nuclear proliferation and climate change. It would seek to negotiate deep cuts in the US and Russian arsenals, to restore the integrity of the non-proliferation treaty before it comes up for review in 2010 and before a nuclear arms race breaks out in the Middle East.

# Spending Disadvantage Answers

## (--) No link: Link evidence doesn’t assume asteroid mapping.

## (--) Non-unique: Obama’s debt reduction plan won’t significantly cut the deficit:

Joseph Lawler, 4/13/2011 (staff writer, “Obama Fails to Make His Case,” <http://spectator.org/blog/2011/04/13/obama-fails-to->make-his-case)

Obama himself gave the deficit commission instructions to devise a plan to balance the budget within five years, and the commission came back with a strategy to cut $4 trillion from the debt within 10 years. Yet Obama's own plan would fall short of his own mark, cutting that same amount, but only in 12 years. His plan falls further short of the Ryan proposal, which would cut over $4.4 trillion from deficits over the 10-year period.

## (--) Turn: space bolsters the US economy

Philip Harris, 2009 (Fellow, American Institute of Aeoronautics & Astronautics), SPACE ENTERPRISE: LIVING AND WORKING OFFWORLD IN THE 21ST CENTURY, 2009, 408.

When president of the National Space Society, Ben Bova said it best in a Space World editorial (September 1987, p. 6): "Space is not a luxury. The space program is not intended merely for exploration and adventure. Space is an economic necessity ... and offers important economic paybacks ... Since NASA's creation, Washington has appropriated roughly $130 billion for the space agency -- less than half of one year's Defense budget ... Yet the money we taxpayers have invested in space comes back to us magnified 20, 30, 50 times each year. Space-derived technology is responsible for $500 billion per year in the U.S. economy ... As space begins to develop, as industrial plants take advantage of low gravity, high vacuum, and endless solar energy, space technologies will become the dominant force in 21st Century economies."

## (--) Impact is empirically denied: had high deficits for decades with no impact.

## (--) No link: entire space budget is less than one percent of federal spending:

Thomas Gangale, 2009 (Former U.S. Air Force Space Engineer & now Dir., OPS-Alaska, a aerospace think tank), THE DEVELOPMENT OF OUTER SPACE, 2009, 241-242.

The public generally supports the civil human space program, although it has little knowledge of what it is actually doing. And not only does the public not know what it is getting for its tax dollar, neither does it have any idea of what it is paying for. Polls show that only about 10 percent of the public correctly estimates that the National Aeronautics and Space Administration budget represents less than one percent of federal spending, whereas approximately 20 percent of the public believes that the NASA budget accounts for more than a quarter of federal expenditures. This suggests that there would be much greater support for the civil space program if the public knew what a bargain they were getting, and might support spending levels several time higher than the current levels.

## (--) No link: space is a tiny percentage of federal spending:

Lewis Griswald, 2010 (Analyst, Space Policy Institute, George Washington U.), AD ASTRA, Summer 2010, 28.

Tax day may have seemed like an interesting time for Barack Obama to speak about the future of NASA, but the tie-in became clear right away. In one of the more cogent speeches given by a president on space policy, Mr. Obama told Americans that "for pennies on the dollar," taxpayers get the Space Shuttle, the International Space Station, and the secrets of the Universe. In reality, it's even less than that, as NASA's budget comes in just shy of a quarter of a penny of the taxpayer dollar.