# Spending DA

## 1NC 1/3

### **Compromise will invoke deficit reduction and spending cuts**

Klein 6/20

[Ezra Klein, Washington Post Columnist, “The ‘grand bargains’ that aren’t,” June 20 2011,

<http://www.washingtonpost.com/business/economy/the-grand-bargains-that-arent/2011/06/20/AGBFAMdH_story.html>]

I used to know what people were talking about when they called for a “grand bargain” on the deficit: Democrats would give in on spending cuts, and Republicans would give in on tax increases. Today, we’re on the verge of a couple of grand bargains. But whatever the Republicans are giving in on, it isn’t taxes. The first grand bargain will come by August, when the clock strikes midnight on the debt ceiling. Insiders in both parties think they have a good sense of what that deal will include: about $2 trillion in deficit reduction over the next 10 years, almost all of it from spending cuts, plus an agreement on a budget path for the next decade and a policy that makes deep, automatic cuts if we’re not hitting our deficit-reduction targets by 2014. But what’s the bargain here? Democrats give in on spending cuts and Republicans give in on not destroying the nation’s credit?

**Launching space exploration vehicles is extremely costly**

Gwynne 8

[Peter Gwynne, “NASA prepares for its next half century” Physics World, July 2008,

http://physicsworldarchive.iop.org/pdf?site=pwa&bkdir=21/07&pdf=phwv21i07a26&pdfhash=6EE3C2D84BA0869759B8055830B20B69&doctime=Sat%2C%2002%20Jul%202011%2021%3A11%3A27%20GMT]

A major problem with any new mission is the sheer cost of launching an object into space. “We’ve reached a kind of technological ceiling with liquidfuelled launch vehicles,” Roland explains. “NASA has said it needs an order of magnitude improvement in the capability of the launch vehicle [in terms of cost effectiveness]. But that’s not what they’re doing R&D on. They might have marginally more efficient launch vehicles. But they’ll still be struggling with inadequate budgets and stretched-out programmes.” Rick Gilbrech, head of NASA’s exploration systems directorate, explains that NASA plans to use a mix of old Apollo and new technology to make it to Mars and beyond. For example, as part of the Constellation programme, NASA intends to take crews and cargoes up to initial Earth orbit on the way to the Moon using the Ares I and Ares V vehicles, which resemble the Saturn IB and SaturnV rockets that were used to launch Apollo astronauts into Earth orbit in the late 1960s. With plenty of robotic missions exploring the red planet, such as the recently deployed Phoenix lander, critics have questioned whether there is a case for manned missions to Mars. When pressed, Griffin is philosophical about the need for such missions. “We look for science information and scientific discovery,” he says. “But mostly we look upon the elucidation of new land and new opportunities. Human exploration, whether on Earth, in the ocean or in space, is an investment in finding out what opportunities might be. Such explorations pay great dividends. They don’t pay them very quickly. We can’t empty the national treasury into them. But it’s important to have them on the balance sheet.”

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### Absent raising the debt ceiling and spending cuts, the US will loose its AAA credit rating

Epstein 11

[REID J. EPSTEIN, “Moody's: Debt deal needed fast,” Politico, 6/2/11, http://www.politico.com/news/stories/0611/56149.html]

Moody’s Investors Service warned Thursday that it may downgrade the nation’s credit rating if congressional leaders and the White House don’t reach a deal to increase the debt ceiling well before the August deadline. The rating agency’s report said a “review for possible downgrade” will begin if the talks do not progress in the “coming weeks,” and described the risk of a short-term government default as “very small but rising.” Moody’s said the federal government’s Aaa rating “would likely be affirmed” so long as it avoids default. Moody’s also said it would begin to review and possibly downgrade the nation’s debt before Aug. 2, when Treasury Secretary Timothy Geithner has said the federal government will hit the $14.3 trillion debt ceiling. The statement comes six weeks after Standard & Poor’s lowered the nation’s credit outlook to “negative” and two days after the House overwhelmingly rejected a measure to lift the debt ceiling without corresponding budget cuts. Citing the divided political climate, if a deal to address nation’s long-term debt isn’t reached soon, Moody’s said, no substantive measure is likely until after the 2012 elections. “If this current opportunity passes, Moody’s believes that the likelihood of anything significant being accomplished before the next presidential election is reduced, in part because the two parties each hopes to capture both a congressional majority and the presidency in the 2012 election, after which the winning party could achieve its own agenda,” the agency wrote. “Therefore, failure to reach an agreement as part of the current negotiations would increase the likelihood of a negative outlook in the near term, because the upward debt trajectory would still be in place. At present, this appears the most likely outcome, in Moody’s opinion.” House Speaker John Boehner (R-Ohio), who earlier Thursday harangued the White House for not making enough progress in debt ceiling talks with GOP leaders, released a statement reaffirming his call for spending cuts that exceed any debt limit increase. “This report reinforces the point that Republicans have been making all year: an increase in the debt limit without major spending cuts will hurt our economy and destroy jobs,” Boehner said. Sen. Chuck Schumer (D-N.Y.) said the two sides can reach a debt ceiling deal if Republicans back off of Medicare. “A compromise that both prevents a catastrophic default on our obligations and significantly reduces the debt is within reach, but only if Republicans stop insisting on unattainable, ideological goals like their extreme plan to dismantle Medicare” the New York Democrat said

1NC 3/3

### That destroys US position in the global economy by shaking investments, employment, and growth

[Mohamed El-Erian, chief executive and co-chief investment officer at PIMCO, “El-Erian: A warning for the US, and for the global economy,” Financial Times, Apr 18 2011

S&P reaffirmed this morning the AAA rating of the US but, importantly, slapped a “negative outlook” on the rating due to concerns on how the country will address its “very large budget deficits and rising government indebtedness.” In justifying this dramatic move, it noted that “there is a material risk that US policymakers might not reach an agreement in how to address medium- and long-term budgetary challenges by 2013.” This is a timely reminder of the seriousness of America’s fiscal issues, for the country and for the rest of the world. The continued failure to come up with a credible medium-term fiscal reform program would increase borrowing costs for all segments of US society, thereby undermining investment, employment and growth. It would also curtail foreigners’ appetite to add to their already substantial holdings of US assets. And it would weaken the dollar. The US also risks eroding its standing at the core of the global monetary system. The world looks to America for a range of “global public goods” — including the reserve currency, the deepest and most liquid government debt markets, and the “risk free” standard. With no other country able and willing to step into this role, the result would be global efficiency losses and a higher risk of economic and financial fragmentation. S&P’s warning should be heard loud and clear in Washington DC, hopefully acting as a catalyst for faster convergence on a credible medium-term fiscal package. It is also a reminder of risk to the global economy, as well as the generalized deterioration in the sovereign credit quality of several advanced economies. The time has come for the US (and other advanced economies) to take better control of its fiscal destiny—for the sake of American society and for the well being of the global economy.

### US economic collapse leads to nuclear war

Friedberg and Schoenfeld ‘8

[Mr. Friedberg is a professor of politics and international relations at Princeton University's Woodrow Wilson School. Mr. Schoenfeld, senior editor of Commentary, is a visiting scholar at the Witherspoon Institute in Princeton, N.J., “The Dangers of a Diminished America”, 10-21, WSJ, <http://online.wsj.vom/articles/SB122455074012352571.html>, CMR ]

Then there are the dolorous consequences of a potential collapse of the world's financial architecture. For decades now, Americans have enjoyed the advantages of being at the center of that system. The worldwide use of the dollar, and the stability of our economy, among other things, made it easier for us to run huge budget deficits, as we counted on foreigners to pick up the tab by buying dollar-denominated assets as a safe haven. Will this be possible in the future? Meanwhile, traditional foreign-policy challenges are multiplying. The threat from al Qaeda and Islamic terrorist affiliates has not been extinguished. Iran and North Korea are continuing on their bellicose paths, while Pakistan and Afghanistan are progressing smartly down the road to chaos. Russia's new militancy and China's seemingly relentless rise also give cause for concern. If America now tries to pull back from the world stage, it will leave a dangerous power vacuum. The stabilizing effects of our presence in Asia, our continuing commitment to Europe, and our position as defender of last resort for Middle East energy sources and supply lines could all be placed at risk. In such a scenario there are shades of the 1930s, when global trade and finance ground nearly **to** a halt, the peaceful democracies failed to cooperate, and aggressive powers led by the remorseless fanatics who rose up on the crest of economic disaster exploited their divisions. Today we run the risk that rogue states may choose to become ever more reckless with their nuclear toys, just at our moment of maximum vulnerability.

# Uniqueness

## Deficit Spending – No

### **Deficit reductions now**

WSJ 6/27

[WSJ, “A Path to a Budget Pact,” JUNE 27, 2011,

http://online.wsj.com/article/SB10001424052702304070104576399662255723434.html.]

MR. GEITHNER: Two things are going to happen this summer. One is we're going to avoid a default crisis. No doubt about that. And we're going to have a bipartisan, comprehensive, long-term deficit-reduction framework. We're trying to negotiate something that's going to be good for the economy in the short term and in the long run. We want to have a framework that restores gravity to our long-term fiscal position, but not so precipitously that we add to the pressures on growth in the near term. We want to do it in a way that creates some room for the government to do things that only governments can do: help improve incentives for investment, make sure that we're investing in things that really matter for the long term, like education, infrastructure, things like that.

## NASA Spending – No

### **NASA budget is being reduced now, signals more balanced spending**

Moskowitz, 11

[Clara Moskowitz, “President Obama Freezes NASA's Budget at 2010 Levels,” 14 February 2011, Space.com,

http://www.space.com/10845-nasa-2012-budget-announcement-obama.html.]

The Obama administration has announced its 2012 budget request, which if approved would freeze spending for NASA and other federal agencies at 2010 levels for the next fiscal year. The 2012 budget request allocates $18.7 billion for NASA, the same amount the agency received in 2010. That's about $300 million less than NASA received in the president's 2011 budget request. "The times today are very difficult fiscally, and we're going to live within a budget," NASA administrator Charles Bolden said at a press conference today. "What we do has to be affordable, sustainable, and it has to make sense." The move is part of an overall five-year freeze on non-security discretionary spending that the White House is proposing. "The fiscal realities we face require hard choices," President Barack Obama wrote in his statement on the new budget. "A decade of deficits, compounded by the effects of the recession and the steps we had to take to break it, as well as the chronic failure to confront difficult decisions, has put us on an unsustainable course. That's why my budget lays out a path for how we can pay down these debts and free the American economy from their burden." The new budget request applies to the 2012 fiscal year, which begins Oct. 1, 2011. This preliminary proposal, however, is likely to be modified by Congress. Stuck in limbo The announcement comes at a time when a federal budget for 2011 has yet to be passed. The government, including NASA, is currently operating under a stopgap measure called a continuing resolution enacted while lawmakers try to agree on a federal budget. The current continuing resolution is set to expire on March 4. Lawmakers are preparing another continuing resolution that would tide the government over until September. The House Appropriations Committee aims to enact big spending cuts that would reduce NASA's proposed $19 billion budget for 2011 by $578 million as part of a wider plan to trim $100 billion from the national budget, according to Space News. That would be a $303 million drop from the previous year.

### Obama’s budget for NASA reigns in spending

Santini 11

[Jean-Louis Santini, “Obama: Five-year freeze on NASA budget” PhysOrg.com, February 14, 2011, http://www.physorg.com/news/2011-02-obama-five-year-nasa.html]

US President Barack Obama unveils his 2012 budget Monday, proposing a raft of spending cuts and tax hikes aimed at curbing a record budget deficit. Obama on Monday proposed reining in expenses at NASA, sending his 2012 budget blueprint to Congress calling for a five-year freeze on new spending at the US space agency. Obama would restrict NASA's budget to last year's levels, $18.7 billion annually through fiscal 2016. The figure represents a 1.6-percent decrease from the spending total the agency had sought for fiscal 2011, which ends in September. "This budget requires us to live within our means so we can invest in our future," NASA Administrator Charles Bolden told a news conference. Bolden sought to put a brave face on the budget limitations, saying the administration's proposal "maintains our commitment to human spaceflight" and research. Experts said it reflected Washington's new fiscal reality, framed by voter frustration with excessive government spending. "There is not a lot of money available," said John Logsdon, a former director of the Space Policy Institute in Washington. "It should not compromise what NASA wants to do but it certainly would slow it down," said Logsdon, an independent consultant to the Obama administration. The belt-tightening comes just as the United States winds down its space shuttle program, and struggles to move forward on a replacement for the vaunted vessels that have carried hundreds of astronauts into space.

## Budget outlook challenging now

### Increases in Medicare and Social Security will stretch current and future budgets; must have combination of revenue and cuts to balance

Thai Press Reports 2011

 (UNITED STATES U.S. FACING "DAUNTING" DEBT OUTLOOK AS DEFAULT DATE LOOMS June 27, lexis)

The budget outlook in the United States is "daunting" and the federal debt will reach about 70 percent of gross domestic product (GDP), the highest level since World War II, according to a report released by the U.S. Congressional Budget Office (CBO) on Wednesday. "Recently, the federal government has been recording **budget deficits** that are the largest as a share of the economy since 1945," said the CBO's 2011 Long-Term Budget Outlook report. " Consequently, the amount of federal debt held by the public has surged." The CBO said that at the end of 2008, that debt equaled 40 percent of the nation's annual economic output. Since then, the figure has shot upward. The sharp rise in debt stems partly from lower tax revenues and higher federal spending related to the recent severe recession. However, the growing debt also reflects an imbalance between spending and revenues that predated the recession, said the report. The CBO noted that as the economy continues to recover and the policies adopted to counteract the recession phase out, budget deficits will probably decline markedly in the next few years. "But the budget outlook, for both the coming decade and beyond, is daunting," said the CBO. The increasing spending on social welfare in an aging society accounts for bigger and bigger proportion of the federal deficit. The retirement of the baby-boom generation, people at age around 60, portends a significant and sustained increase in the share of the population receiving benefits from Social Security, Medicare, and Medicaid. Moreover, per capita spending for health care is likely to continue rising faster than spending per person on other goods and services. According to CBO's projections, if current laws remained in place, spending on the major mandatory health care programs alone would grow from less than 6 percent of GDP today to about 9 percent in 2035 and would continue to increase thereafter. Soaring deficit has triggered hot debate between the two parties. Republicans insist that the White House needs to deeply cut spending, while the Obama administration and Democrats argue that a too deep cut will sacrifice the nascent recovery. The U.S. public debt surged after the burst of the financial crisis and economic recession. The federal government annual deficit hit 1.41 trillion U.S. dollars in 2009 fiscal year and 1. 29 trillion dollars in 2010 fiscal year. In a recent report, the U.S. Treasury Department estimated that federal deficit in full fiscal year 2011 will reach 1.65 trillion dollars, the record high level. Recently, the big fiscal fight in Washington is how to increase the debt limit, the legal ceiling on borrowings which was hit on May 16. Treasury Secretary Tim Geithner has repeatedly urged Congress to avoid the catastrophic economic and market consequences of a default crisis by raising the statutory debt limit in a timely manner to avoid first-ever federal government default on its obligations. The White House has said the borrowing limit must be raised by Aug. 2 or the government will run out of cash to pay its bills, possibly triggering another financial crisis and recession. Many analysts say that the debt ceiling issue will be solved by the deadline. However, they argue that it is becoming more dangerous if Washington will not take action as soon as possible. The CBO suggested that to keep deficits and debt from climbing to unsustainable levels, policymakers will need to increase revenues substantially as a percentage of GDP, decrease spending significantly from projected levels, or adopt some combination of those two approaches. It also urged the government to take earlier action in order to avoid higher cost in the future. - PNA

## Debt Ceiling Negotiations at Critical Juncture Now 1/2

### Republicans and Democrats at impasse over negotiations; Republicans are adamant about no new spending and cutting “sacred cow” programs; Obama must become involved

Steinhauer 2011

(Republicans pull out of debt negotiations; Party says exit from talks caused by Democrats' push for tax increases The International Herald Tribune June 24, lexis)

Efforts by U.S. lawmakers and the Obama administration to reach bipartisan agreement on extending the national debt ceiling and cutting spending appeared near collapse on Thursday, as Republican participants withdrew, saying that talks had reached an impasse over Democrats' insistence on the need for tax increases. Representative Eric Cantor of Virginia, the Republican leader, said that he was withdrawing from the negotiations being led by Vice President Joseph R. Biden Jr. because agreement over the role of new taxes in any final agreement had proved impossible to reach. A spokesman for Senator Jon Kyl of Arizona, who is representing Senate Republicans in the debt talks, said that Mr. Kyl was also staying away. Mr. Cantor, in a prepared statement, said: ''I believe that we have identified trillions in spending cuts, and to date, we have established a blueprint that could institute the fiscal reforms needed to start getting our fiscal house in order. ''As it stands the Democrats continue to insist that any deal must include tax increases. There is not support in the House for a tax increase.'' The influence of the anti-tax Tea Party within the Republican-controlled House of Representatives has made it more difficult, Democrats say, to reach a compromise. Failure to reach agreement, necessary to allow the government to meet its obligations to holders of U.S. Treasury notes, would mean a default on U.S. obligations, which experts say would have a shattering effect both on U.S. credibility and on financial markets. The debt group had been working since May to reach agreement before Aug. 2 - the date by which the Treasury Department has said the debt limit must be raised. But the Senate Republican leader, Mitch McConnell of Kentucky, has suggested that a short-term accord might be possible, putting off a final deal until the autumn. The Republicans' departure from the talks appeared to be aimed at pressing President Barack Obama to take more direct responsibility for any decision on raising tax revenues. The debt group is seeking a deal involving both extending the debt limit, as the administration has said is vital, and curbing a budget deficit, a Republican priority. Agreement has appeared possible in areas like reducing farm subsidies and student loan subsidies. But those actions alone will not produce the $2 trillion in savings both sides have said will be needed to win agreement. That, negotiators say, will require excruciating choices about health care, social security and taxation. But with Republicans unwilling to accept higher taxes, Democrats have dug in their heels against taking tougher steps like reducing the popular Medicare and Medicaid programs. The Senate Finance Committee chairman, Max Baucus of Montana, expressed disappointment that Mr. Cantor had left the talks. He said almost every deficit reduction deal in the past had involved a mix of tax increases and spending cuts. He said upper-income Americans had seen their wealth grow in recent years, so that balancing the budget by cutting only programs serving the middle class and the poor was unfair. "Revenues must be included so everyone can participate in addressing a critical national problem,'' Mr. Baucus said, The Associated Press reported. In recent weeks, the talks began to unravel as Republicans were pressed to decide whether to go along with Democrats to increase revenues. Mr. Cantor clearly did not relish that role. He has suggested that Mr. Obama, rather than Mr. Biden, as well as the Speaker of the House, Representative John A. Boehner of Ohio, must take up the mantle. ''Given this impasse, I will not be participating in today's meeting and I believe it is time for the president to speak clearly and resolve the tax issue,'' Mr. Cantor said in his statement.The effort to lay responsibility for an agreement at the president's door was echoed in part by the Mr. McConnell. ''Where in the world has the president been for the last month?'' he said on the Senate floor. ''What does he propose? What is he willing to do to reduce the debt and to avoid this crisis that is building on his watch? He's the one in charge.''

Debt Ceiling Negotiations at Critical Juncture Now 2/2

### The House Speaker will find it difficult to get people from his own party to compromise; conservatives aren’t accepting the serious nature of the issue

McFeatters 2011

(Dale Speaker getting no help on debt showdown Korea Times June 28, lexis)

If House Speaker John Boehner can pull off an economically essential increase in the debt ceiling, accommodating Republican demands that it be achieved by **spending cuts** only and Democratic insistence that the cuts be offset by some revenue increases, the nation should perhaps declare a national holiday in his honor. The veteran legislator has been saddled with an impossible task, thanks largely to his own Republicans. Last Thursday, House GOP leader Eric Cantor walked out of deficit-reduction talks, reportedly without first telling Boehner. The Cantor camp insisted the walkout was only a national progression to kick the talks up to the next level, to bring in both Boehner and President Barack Obama. But some analysts saw Cantor's sudden exit as the first step in a campaign to supplant Boehner as speaker. Obama was to have met Monday with both Senate Democratic leader Harry Reid and Republican leader Mitch McConnell, but the Senate likely will not be the problem in reaching an agreement. The House will. If Congress does not raise the $14.3 trillion debt limit, the Treasury cannot continue borrowing to pay the government's bills. Treasury says that will happen by Aug. 2, although there may be a few days' leeway. If the government begins to significantly default on its obligations, the Federal Reserve says it would send the dollar plunging, damage the nation's once-sterling credit rating and send the cost of borrowing soaring, with severely negative consequences for the economy. Here's part of Boehner's problem. Michele Bachmann - a Tea Party movement champion and rising Republican star thanks to an Iowa presidential poll in which she finished one point behind the leader, Mitt Romney, and 12 points ahead of the next-most-popular GOP candidate - doesn't believe a word of it. She says she has "no intention of voting to raise the debt ceiling." Her reasoning: "It isn't true that the government would default on its debt because, very simply, the Treasury secretary can pay the interest on the debt first and from there we can prioritize our spending." The Treasury secretary, Timothy Geithner, has to get the money to pay the interest from somewhere, and "prioritizing spending" is a euphemism for "Who doesn't get paid?" The soldiers? The retirees? Medicare recipients? The states that have committed to highway projects in expectation of federal funding? The Republican Party would find it very hard to dodge the blame for this debacle. Making it tougher on Boehner, House Democratic leader Nancy Pelosi will be at the table and she must deliver liberal Democrats still steaming over Obama's caving on the tax cuts last November. Democrats are insisting on some revenue increases. Semantics may offer one way out. The deal could cobble together a plan to eliminate subsidies, incentives, loopholes and niche tax breaks and impose assorted fees. Call them anything, but tax increases. When President Ronald Reagan raised taxes, he called them "revenue enhancements." It worked for him.

## Spending cuts & tax breaks at center of budget impasse 1/2

### Past precedent of combination of tax increases and spending cuts ignored; Republicans don’t want to break “no new taxes” pledge

Wolf 2011

(Richard, USA TODAY Bipartisan debt talks at impasse over tax hikes; Next up: Obama and Boehner to sit down, June 24, lexis)

Bipartisan efforts to reduce the federal budget deficit have broken down over the specter of tax increases, forcing President Obama to intercede as a threatened government default looms less than six weeks away. The impasse was inevitable, given Republicans' refusal to consider the elimination of special-interest tax breaks as part of a deficit-cutting package and Democrats' refusal to slash $2 trillion or more over 10 years from the spending side alone. When it happened in a phone call from House Majority Leader Eric Cantor, R-Va., to Vice President Biden, who had been leading the negotiations the White House quickly labeled the talks "in abeyance" after 11 meetings, rather than in tatters. The immediate problem lawmakers face is raising the $14.3trillion ceiling on the federal government's borrowing authority. Treasury Secretary Timothy Geithner says that must be done by Aug.2 to avoid an unprecedented default. Republicans say they won't do it without an equal amount of spending cuts. And Democrats say they won't do that without tax increases. "These talks are in abeyance, but we expect going forward that we will continue to address these issues in search of a compromise," White House press secretary Jay Carney said Thursday. Translation: Thursday's boycott by Cantor and Senate Minority Whip Jon Kyl, R-Ariz., kicks the talks to a higher level. Now it will be left for Obama and House Speaker John Boehner who on Saturday became golf buddies, and who met privately Wednesday night at the White House to resolve the impasse. Taxes have divided Democrats and Republicans for decades. The 1990 deficit-reduction agreement struck between Democrats and President George H.W. Bush included tax increases that likely contributed to Bush's defeat in 1992. Republican leaders refused to back tax increases in a subsequent 1993 deal and insisted on tax cuts in a 1997 package. This year, there have been chinks in the armor. Boehner at first sounded open to reconsidering some tax breaks for oil and gas companies, then backed away. And last week, 34 Senate Republicans supported a losing effort to eliminate a $6 billion tax break for refiners who use ethanol. The tax breaks on the chopping block inside the Biden talks have been larger, such as phasing out tax exemptions for people with incomes above $500,000. Republicans have refused to consider them. "There is not support in the House for a tax increase," Cantor said. "I believe it is time for the president to speak clearly and resolve the tax issue." Democrats criticized Republicans' decision to leave the talks, which both sides have called productive in terms of finding areas of potential agreement. "It's unfortunate that they've walked away from the table to protect special-interest tax breaks," said Rep. Chris Van Hollen, D-Md., a member of the Democrats' negotiating team. Republicans argue that any tax increases would set back the glacial economic recovery. Politically, voting for tax increases also would violate a pledge against raising taxes that most have taken with Grover Norquist, who heads Americans for Tax Reform. A total of 41 Republican senators and 237 in the House of Representatives have signed the group's anti-tax pledge. support for eliminating tax breaks would mean they "have broken their pledge."

Spending cuts & tax breaks at center of budget impasse 2/2

### Republicans reluctant to look at any tax increases or elimination of taxes; causes impasse with Democrats who refuse to look at only spending cuts

Mascaro 2011

(Lisa, Cantor shifts the burden of compromise; It's now up to Obama, Boehner and others to find a deal on debt. Los Angeles Times June 25, lexis)

When House Speaker John A. Boehner tapped Rep. Eric Cantor to lead the GOP in White House talks to reach a deficit reduction deal, he gave the Virginia lawmaker a chance to shine as a potential future speaker. But Cantor's sudden, stormy departure from the meetings this week, citing an impasse with Democrats over taxes, helped solidify his position as a champion of the conservative right rather than as a negotiator who could achieve a budget compromise. Now, President Obama, Boehner and Senate leaders must resolve the standoff by striking a deal to raise the nation's borrowing limit before a threatened government default in August. That puts Obama and the top congressional leadership in the same position as in April, when they narrowly averted a government shutdown. The stakes this time are substantially higher. Failure to increase the $14.3-trillion debt limit by Aug. 2 could produce economic disruptions including a costly rise in interest rates and borrowing. Negotiations are expected to resume next week. On Monday, Obama will meet in separate sessions with Senate Majority Leader Harry Reid (D-Nev.) and Minority Leader Mitch McConnell (R-Ky.). It was always understood that Obama and Boehner would negotiate the final deal. But after seven weeks of closed-door talks headed by Vice President Joe Biden, Cantor's sudden decision to drop out was striking. Cantor, who as majority leader is the No. 2 Republican in the House, told Boehner of his decision just before the public announcement. The role of chief House Republican negotiator was a high-profile one, providing an opportunity for Cantor to show he was a measured deal-maker and more than a brainy advocate of the conservative right. Biden had expressed surprise at the progress the two were making. "He's smart as hell," Biden said, unsolicited, last week. "I've really enjoyed working with Eric Cantor. For real." But once the debt talks entered the difficult phase -- "my bicycle for your golf clubs," as Biden put it -- Cantor decided not to risk the political fallout from a compromise on taxes. Conservatives grumbled a few months ago when Boehner stepped in to negotiate a 2011 spending package with Obama to prevent the government shutdown. Critics on the right called the speaker's effort inadequate, underscoring the difficulty of compromise on the debt ceiling. "Republicans were never going to go for raising taxes, and it finally is obvious to the White House just how difficult it will be to negotiate from that base line with Boehner," said Republican strategist Ron Bonjean. "But it can be done." The two sides made progress over seven weeks of talks, identifying more than $1 trillion in savings, largely through cuts in agricultural subsidies, federal employee benefits and domestic programs. Yet the deadlock over taxes is a major obstacle. Fueled by an aggressive conservative majority in the House, the GOP is demanding that new borrowing be matched dollar-for-dollar by spending reductions. "What we've seen on the Republican side is all take and no give," said Rep. Chris Van Hollen of Maryland, a negotiator for House Democrats. A change in tack, he said, is "what's going to be required to achieve the 'adult' moment." Democrats argue that deficits should not be attacked by spending cuts alone, and they pushed onto the table tax breaks and credits that could be eliminated or reduced to boost revenue, including those for the oil and gas industry and for corporate jets. Democrats also suggested that individual income tax deductions be limited for couples earning at least $500,000. That could affect 1.3 million filers, they said. Democrats notably steered away from one big-ticket tax issue: returning upper-income tax rates to levels before cuts enacted under President George W. Bush.

## Key to negotiation is definition of new revenue

### **Democrats and Republicans unable to compromise now; must come to an agreement on new revenue sources and appropriate areas to discuss**

Wolf 2011

(Richard Obama joins debt negotiations to address deadlock over taxes; As the deadline looms, president hopes to bridge gap between record cuts and new revenue USA TODAY June 27, lexis)

President Obama enters bipartisan negotiations today aimed at making by far the largest cuts in history from federal budget deficits and avoiding a first-ever government default. Little more than five weeks remain before the government runs out of borrowing authority, which could eventually cause delays in contract payments, tax refunds or even Social Security benefits. A default also could spook world financial markets and prompt ratings agencies to lower the United States' triple-A credit rating. Yet the White House and Republicans in Congress remain deeply divided over potential tax increases and cuts to popular entitlement programs, such as Medicare and Medicaid, that could help reduce budget deficits by more than $2trillion over the coming decade. The key to a deal appears to be what types and amounts of new revenue Republicans can agree to include. While major tax increases have been ruled "off the table" by GOP leaders, they have not ruled out more targeted efforts. "We have not refused any new revenue," Senate Republican Whip Jon Kyl said on Fox News Sunday. "For example, we've been discussing some fee increases and some other things that would actually generate revenue." Democrats insist that taking away tax breaks enjoyed by specific industries would be a spending reduction, not a tax increase. They have targeted oil and gas companies, ethanol, corporate jets and other recipients of government subsidies. "You only hike taxes when you raise rates," House Democratic Whip James Clyburn said on ABC's This Week. "We are not asking anybody to raise anybody's rates. We want us to have an effective tax collection and close these loopholes, stop giving billions of dollars in breaks to millionaires and billionaires." Kyl said those decisions can only be made as part of a tax overhaul which is most likely years away. "We have always been willing to consider so-called tax expenditures, but as the president originally proposed, in the context of overall tax reform," he said. Obama enters the talks following last Thursday's Republican boycott of bipartisan talks led by Vice President Biden. The group had made substantial progress on a list of spending cuts and debt "caps" intended to lock in the reductions but had deadlocked over taxes. The White House and congressional Democrats say tax breaks must be eliminated to balance what could be substantial cuts in Medicare, Medicaid and other domestic programs. Republicans argue that any tax increases could harm the slow economic recovery and would have no chance of passing the GOP-controlled House. "We need to talk about what can pass," Senate Republican leader Mitch McConnell said on ABC. "We need to cut spending now. We need to cap spending in the future. And we need to save our entitlement programs, which are on a path to bankruptcy." McConnell noted that the health care law signed by Obama in 2010 cut Medicare by about $500billion, and the president proposed nearly $500billion more as part of a 12-year, $4trillion deficit-reduction package. Still, the White House insists such a package must be balanced with tax increases. "Let's be clear about what some folks are really talking about when they say 'no tax hikes,'" press secretary Jay Carney said Sunday. "These are the tax breaks for millionaires and billionaires, oil and gas subsidies, and loopholes for corporate jets that are gifts to special interests." Obama will meet today with Senate Democratic leader Harry Reid, then later with McConnell. He met last week with Republican House Speaker John Boehner, and more meetings are sure to follow. House Democratic leader Nancy Pelosi said Sunday on CNN's State of the Union that "there won't be any agreement unless the House Democrats are part of that." Some Republicans say it's long past time for the president to engage directly. "I think if the president's made a mistake here, it's this laid-back kind of approach where he's waiting for someone else to solve the problem," New Jersey Gov. Chris Christie said on NBC's Meet the Press. While all sides have proposed $4trillion or more in deficit reduction over 10 to 12 years, the immediate talks are focused on about half that amount, and a similarly sized increase in the $14.3trillion debt ceiling. Even a $2trillion deficit-cutting package would dwarf all past efforts. In 1990 and again in 1993, nearly $500billion was cut over five years. A 1997 deal cut only about $118billion over five years. Some Republicans have questioned whether any action is needed by Aug. 2, when Treasury Secretary Timothy Geithner says the government could default. "It isn't true," Rep. Michele Bachmann, R-Minn., a presidential hopeful, said on CBS' Face the Nation. "The Treasury secretary can pay the interest on the debt first and then, from there, we have to just prioritize our spending."

## Conservatives pledge to cut spending

### Current pledges and goals are to adopt a balanced budge amendment; grassroots support swelling for such a proposal

The Washington Times 2011

(Conservatives' spending pledge; Tea Party inspires 'Cut, Cap, Balance' vigilance on debt-ceiling negotiations June 23, lexis)

House and Senate conservatives rallied Wednesday around a pledge to vote against any debt-ceiling increase that fails to include enforceable reductions in the size of the federal government**.** The "Cut, Cap, Balance" pledge to put Uncle Sam on a diet includes cuts in outlays, caps on future spending authority and passage of a balanced-budget amendment that would limit taxing and spending. The first day's effort has been encouraging. Sen. Jim DeMint, South Carolina Republican, has 10 colleagues on board. He'll need another 30 to block a bad deal. "Let's see Democrats and President Obama try and explain that they want to shut down government because they refuse to balance our **budget,**" Mr. DeMint told The Washington Times. "The American people won't stand for it. Now is the time to fight." The House conservatives' Republican Study Committee (RSC) came up with Cut, Cap, Balance to restrict spending at 18 percent of gross domestic product. Rep. Jim Jordan, the RSC chairman, told The Washington Times that his group "put the ball on the field" and "with this pledge, conservatives in the House, Senate and all across the country have now picked it up and begun to run with it." There are 42 grass-roots groups coordinating efforts to promote the issue around the country, including Club for Growth, FreedomWorks, Tea Party Express and Let Freedom Ring. Many inside and outside the Beltway are skeptical of closed-door leadership negotiations after being let down by April's continuing resolution in which a promised $100 billion in cuts ultimately failed to yield any real savings. According to the Congressional Budget Office, this year's spending is already $132 billion higher than last year's. They also lack faith in politicians sticking to spending caps beyond the next election, which is why the pledge seeks to amend the Constitution. "We agree we need immediate spending cuts, caps and entitlement reform, but that's exactly what Washington did in the '90s when we were $5 trillion in debt," Mr. Jordan told The Washington Times. "Now Gramm-Rudman is ignored, the entitlement reforms never materialized, and debt has exploded to over $14 trillion. Americans won't be fooled again; they know none of these grand promises will ever happen unless we force Washington to do it with a balanced-budget amendment." For the Cut, Cap, Balance pledge to work, more members will have to sign on to it in the next couple of weeks. With a big push from the Tea Party and related groups, that could happen. Americans sent an unmistakable message in November that business as usual was over. The debt-limit deal is the last opportunity this year for Republican leaders inside the Beltway to prove they're serious about shrinking our out-of-control federal leviathan.

## Republicans guilty of creating budget deficit

### Republicans unwilling to consider relevant tax cuts; both parties guilty of not negotiating in good faith and looking for areas of compromise

Lofgren 2011

(Mike, retired congressional staffer, Hey big spenders; Don't just blame Democrats: The big deficit facing the U.S. is mostly Republican in origin. Los Angeles Times June 26, lexis)

President Obama's fiscal policies are a mess. Whatever one thinks of the need for stimulus in a severe recession, it is obvious that running trillion-dollar deficits for years on end is unsustainable. Moreover, his proposals are dishonest. The nonpartisan Congressional Budget Office concluded that his proposed 2012 budget underestimates spending while overestimating revenues. Sadly, the Republicans have offered no viable alternative. The failure of our leaders to offer realistic budget proposals was a major reason I decided to retire after 28 years in Congress, most of them as a professional staff member on the Republican side of both the House and Senate Budget Committees. My party talks a good game, railing about the immorality of passing debt on to our children. But the same Congressional Budget Office that punctured Obama's budget also concluded that the major policies that swung the budget from a projected 10-year surplus of $5.6 trillion in 2001 to the present 10-year deficit of $6.2 trillion were Republican in origin. Consider the two signature GOP policies of George W. Bush's presidency: the wars and the tax cuts. Including debt service costs, Bush's wars have cost about $1.7 trillion to date. Additionally, as part of being "a nation at war," the Pentagon has spent about $1 trillion more than was expected in the last decade on things other than direct war costs, which has been a bonanza for military contractors but a disaster for the federal budget. And finally, there has been another trillion dollars spent domestically in response to 9/11, including spending on such things as establishing the Homeland Security Department and increasing the budgets for the State Department and the Veterans Administration. The Bush tax cuts have added another $3 trillion in red ink. While Republican leaders wail that Americans -- particularly their rich contributors -- are overtaxed, the facts say otherwise: U.S. taxpayers, particularly the wealthiest, pay far less in taxes than they would in most other developed countries. Today, the 400 wealthiest Americans have as much wealth as the bottom 125 million. The GOP insists that those wealthy people use their money to create jobs, and that taxing them more heavily would ultimately hurt the economy. But, if that's so, why was the rate of job creation in the decade after the Bush tax cuts the poorest in any decade since before World War II? Like a drunk swearing off hooch for the hundredth time, Republicans are now trying to show they are serious about controlling the deficit by saying they won't raise the debt ceiling unless they get through some of their cost-saving projects, like privatizing Medicare. Meanwhile, they want revenue increases "off the table," even though, at 14.8% of GDP, revenues are at their lowest level in 60 years. And the budget passed by the Republican-controlled House further cuts taxes on the wealthy, a fact it glosses over with optimistic growth forecasts. Raising the debt ceiling isn't, as the GOP tries to say, Congress giving itself permission to continue excessive spending: It's something that's necessary to pay for past congressional decisions on taxes and spending, and those decisions were made primarily when Republicans were in charge. No one wants to have to raise the debt ceiling. But not doing so could lead to at least a temporary default on our debt, which would force up interest rates for everyone and add more than a trillion dollars to the cost of servicing the federal government's debt. Moreover, a default could seize up our private financial system in a manner similar to the Lehman Bros. collapse. Do the Republican holdouts really want that? If so, they might want to take a hard look at the streets of Athens. The policy of full faith and credit, constructed by Alexander Hamilton more than two centuries ago, has served us well. We shouldn't abandon it to a misplaced ideology. Polarization based on juvenile talk radio sloganeering is dragging this country to the cliff's edge. If neither the Democrats nor the party I have served for three decades is willing to act like adults, perhaps it's time for a party that is willing to step into the void.

## Tea Party Ready to Enter the Debate

### Tea Party ready to put together a budget commission willing to offer suggestions to the Congress

ZERNIKE 2011

(KATE, Tea Party to Come Up With Debt-Cutting Proposals The New York Times, June 27, http://www.nytimes.com, lexis)

While the Tea Party movement has led the charge for cutting the national debt, its supporters have often struggled to explain how, exactly, they would do so.Now some are out to change that, joining a Tea Party debt commission that plans to hold hearings over the summer, in the hopes of delivering recommendations to lawmakers by January. The commission is being organized by FreedomWorks, the libertarian advocacy group that helped grow the Tea Party movement and mobilize it for the midterm elections. And its recommendations are likely to line up with the goals of that group, which in turn tend to reflect those of libertarian organizations like the Cato Institute. (FreedomWorks' motto is Lower Taxes, Less Government, More Freedom, and it has worked against environmental regulations and for increased privatization of health care.) ''If you look if you look at the landscape in Washington, D.C., there's a lot of Democrats who control two-thirds of the process who are now sitting on their hands, waiting to point fingers at Republicans who propose something, and there's too many Republicans who are afraid that the public won't understand a serious proposal to solve the budget deficit,'' said Matt Kibbe, the group's president.''We think, like with the first days of the Tea Party movement, that the only way we will ever reduce the debt and balance the budget is if America beats Washington and Tea Party activists take over this process, take over the public debate and engage the American people in the hard work of making tough choices.'' FreedomWorks held training for about 150 activists from 30 states at its headquarters in Washington over the weekend, with sessions dedicated to educating them about the budget proposals by Senator Rand Paul of Kentucky and Representative Paul D. Ryan of Wisconsin, both Republicans who strongly embrace libertarian economic principles. The activists, along with FreedomWorks staff, came up with parameters for their budget proposals, declaring that they would have to balance the federal budget within 10 years, reduce federal spending to 18 percent of the gross domestic product, reduce the national debt to no more than 66 percent of the G.D.P., assume that revenue accounts for no more than 19 percent of the G.D.P., reduce federal spending by at least $300 billion in the first year and reduce federal spending by at least $9 trillion over 10 years. All this is a tall order; for example, the debt now equals nearly 100 percent of the gross domestic product. And with its limits on revenue - and the politics behind those limits - it is unlikely that the Tea Party commission will allow anything that looks like a tax increase. The commission, to be formally announced Monday, is intended as a rebuke to the National Commission on Fiscal Responsibility and Reform that President Obama named, which delivered its recommendations last year. Those recommendations were met with generally negative reviews from both parties, who were unwilling to make the sacrifices that were called for. But the Tea Party commission is modeled after President Obama's, in one way - it, too, will have 18 members (though this one is unlikely to be bipartisan, as the president's was). The members will be chosen from 18 swing states, and will hold hearings in those states over the summer, Mr. Kibbe said. It will also have a strong crowd-sourcing component, much like the Contract From America, which Tea Party activists created, wiki-style, as a kind of manifesto for the midterms. (Those ideas had some influence: the rules that House Republicans passed after the Tea Party victories in the midterms included a requirement, lifted from the contract, that all new legislation had to cite the specific provision of the Constitution that authorized it.) The commission will solicit ideas and have people vote on them at a website, teapartydebtcommission.com. It aims to have proposals ready by January, when the presidential campaign will draw even more attention to economic proposals. Mr. Kibbe said that his group hopes the commission will present its ideas to the Tea Party caucus in the House and Senate at hearings in the winter.

# Links

## Generic

### Space costs a lot of money

Lafleur 10

[Claude Lafleur. March 2010. Costs of US Piloted Programs. http://www.thespacereview.com/article/1579/1]

Everybody knows that the Apollo program costs $20 billion in 1970s dollars—the equivalent of $100 billion in today’s money. But that’s about all most of us know about piloted program costs. For instance, who knows how much the Space Shuttle and the International Space Station programs cost? How much does each Shuttle flight cost? How much does it cost to spent a day onboard ISS? Almost nobody knows because these figures are difficult to calculate. First, we need to find how much NASA spent each year on these programs, and then add these dollars taking into account inflation. We couldn’t add 1970s dollars to 2000s dollars. For example, if we simply added Apollo programs fiscal spending during its fifteen-year existence, we obtain $20.4 billion. That’s the usual program cost reported. However, doing the same math using constant 1975 dollars give $29.3 billion. And using 2010 dollars give us $109 billion. We thus could say that the Apollo program cost $20 billion in then-year dollars, $30 billion in 1970s dollars, or $110 billion in today’s money. Before Apollo, there were the Mercury and Gemini programs. Project Mercury spanned five years (1959–1963) and cost $277 million in 1965 dollars, which translate into $1.6 billion in 2010 dollars. Since six Mercury piloted missions were flown, that amounted to $265 million per flight in today’s money. As for Gemini, the program costs $1.3 billion in 1967 dollars during its six-year lifespan (1962–1967). In today’s money, it would amount to $7.3 billion, or $723 millions for each of its 10 piloted missions. We thus could say that a Gemini mission cost twice as much as a Mercury’s. As reported above, the Apollo program costs $20.4 billion if we simply added yearly spending of its 15 year-lifespan (1959–1973), or $109 billion in today’s money. Since 11 Apollo piloted missions were flown, that amounts to $9.9 billion per flight. That’s way over Mercury and Gemini mission costs, reflecting the complexity of going to the Moon. And if we consider these $109 billion resulted in six lunar landings, each of these missions costs some $18 billion! After Apollo, there was the Skylab space station program, which cost $2.2 billion in then-year money ($10 billion in 2010 dollars) during its nine-year existence (1966–1974). Considering that three three-men crews spent a total of 510 person-days onboard Skylab, this mean that each day spent by a crewman costs $5.5 million. (We’ll compare this to living onboard ISS.)Finally, the first era of the US piloted program ended in 1975 with the Apollo-Soyuz Test Project. The American portion of this US-Soviet mission costs $245 million at the time, or $1 billion in today’s dollars. The longest and most complex piloted program so far is the Space Shuttle. Started in 1972, it will end by 2012 after 41 years. Adding annual funding over such a long period would total $123 billion. However, the true cost of the Shuttle is $198.6 billion in 2010 dollars. Considering that 134 Shuttle missions are scheduled, it means that each one costs about $1.4 billion. As for the International Space Station, the program began in 1985 and will extend at least until 2015. For this thirty-year span, some $58.7 billion were budgeted by NASA. This amounts to $72.4 billion in today’s money. However, this amount does not include 36 Shuttle flights needed to build the station, nor the contribution from the international partners. Adding 36 flights at $1.4 billion each would incur an additional $54 billion. And if we include the international partners’ contributions (Russia $12 billion, Europe and Japan $5 billion each, and Canada $2 billion) the total ISS program cost is about $150 billion (up until 2015). ISS has been crewed since November 2000 by two- to six-person teams. From then on to 2015, we could estimate that the station will be manned by some 20,000 person-days. Considering its $150-billion price tag, that would mean that each day spent onboard by an ISS crewmember costs about $7.5 million (compared to $5.5 million for Skylab.) All the funds allocated to NASA for piloted programs from 1959 to 2015 adds up to $275 billions in then-year dollars, or $486 billion in 2010 dollars. In this review of all major US piloted programs, there is another one that is less known but for which funding is as high as those allocated to the Space Station: the Exploration program.

## Human Exploration

### Putting humans in space is an expensive waste

Phillips 99

[Phillips April 1999 “Space Costs Go Sky High” *The Sunday Telegraph* LexisNexis]

You've achieved the alchemist's dream: discovering a way of turning paper into gold. All you have to do is get the paper into orbit for a couple of days, and by the time it returns to Earth it will have magically transformed into the expensive metal. You stuff the space shuttle to the max with confetti -23 tonnes of it. When the craft touches down, you'll have $150 million of gold at today's prices. The only hitch is each shuttle launch costs about $420 million. You'll end up $270 million out of pocket. Physicist Francis Slakey uses this example to show how expensive the space shuttle program is: it soaks up nearly a quarter of NASA's budget every year. That may be justifiable if the flights were achieving something significant, but that isn't the case, he writes in Scientific American. Shuttle launches are little more than elaborate PR exercises. NASA persists with them for the same reasons prime ministers sidle up to Olympic athletes and presidents start wars. The public loves a hero, and astronauts are heroes. The purpose of these modern-day Magellans is to make NASA's $13.6 billion annual bill seem less astronomical. And it is not just the space shuttle program that is a waste of money says Slakey, who is a director with the American Physical Society and has written extensively on the matter. Putting humans into the heavens, full stop, is superfluous and so draining the space budget unnecessarily. Many space scientists have expressed similar views over the years. The first person in orbit, Yuri Gagarin, should have stayed put. The Russians should have saved their roubles and not bothered with Mir space station and its parade of floating cosmonauts. Even those first footsteps on the moon, which impressed the rest of us so much, frittered away valuable space science money. Far more science could have been achieved if machinery only was sent to the lunar surface, and the Apollo program's massive budget spent in other ways. Neil Armstrong's oneliner could have easily been rewritten: "One small step for a robot; one massive leap for self-ambulatory electronic equipment." Robots are cheaper to put into the heavens because they are more expendable than people. Humans soak up ridiculous sums of engineering money because they need so many safety mechanisms to be put in place. The International Space Station currently being assembled above us is also little more than expensive public relations, complains Slakey. By the time it is complete it will have chewed through $40 billion.

## ET 1/2

### **Radio telescopes used to search for extraterrestrial life cost a billion dollars**

NRAO 6

(Lonsdale, Carol. "Observing with ALMA." National Radio Astronomy Observatory. NRAO, 2006. Web. 30 Jun 2011. <https://science.nrao.edu/facilities/alma/aas217/Lonsdale.pdf>)

The Atacama Large MM/Submm Array : ALMA • A global partnership to deliver a transformational millimeter/ submillimeter interferometer North America (US, Canada, Taiwan) Europe (ESO) East Asia (Japan,Taiwan) • 5000m (16,500 Ft) site in Chilean Atacama desert • Main Array: 50 x 12m antennas (up to 64) + Total Power Array 4 x 12m + ACA: compact array of 12 x 7m antennas • Total shared cost ~1.3 Billion ($US2006)

### **Landers used for exobiological research cost nearly 2 billion dollars**

Aviation Week 9

(Taverna, Michael. "ESA Proposes Two ExoMars Missions." Aviation Week, 19 Oct 2009 <http://www.aviationweek.com/aw/generic/story\_channel.jsp?channel=space&id=news/Exomars101909.xml>)

A key objective of the planned 1.2 billion euro ($1.7 billion) ExoMars mission is to expand Europe's orbiter expertise and allow it to master new technologies - a rover; entry, descent and landing system (EDLS); and a deep drill. However, doing this without exceeding the 850 million euro budget envelope member nations say they are willing to provide has proven difficult. After pushing back the mission to 2016 and scaling back the lander science package, ESA struck a deal with NASA this summer that would give the U.S. agency a key role in ExoMars as part of a long-term Mars road map ultimately culminating in a sample return flight Aerospace DAILY, July 10). However, this proved insufficient and planners were forced to consider eliminating a proposed fixed exobiology payload from the lander and shifting some of the key technology items to NASA - prompting member states to threaten to scuttle the mission altogether. Now, ESA appears to have found a way around the problem by stretching out the ExoMars timeline and upping contributions to 1 billion euros - the figure the agency has long said is necessary to meet mission objectives. Under a proposal hammered out at an ESA Council meeting Oct. 7-8, the undertaking would be split into two parts - a lander/orbiter mission in 2016 and a rover mission in 2018, each with a significant NASA role. ESA would provide the EDLS, the lander and orbiter for the 2016 flight, and NASA would furnish launch on an Atlas V 411 booster. The EDLS would be designed for a soft landing and the lander would be big enough - 600 kilograms (1,300 pounds) - to house a large battery-powered science payload. The orbiter would carry a NASA payload and be equipped with data relays that would serve both the 2016 and 2018 missions. For the 2018 flight, Europe would supply a rover equipped with a deep drilling system along with a fixed exobiology payload. NASA would furnish the EDLS - equipped with a sky-crane touchdown system developed for other Mars missions - launch on an Atlas V 551 rocket, and possibly a second rover as well.

### **Programs to search for life on Mars have run over their billion-dollar budgets and cause NASA to reduce funding for other projects**

USA Today 8

(Watson, Tracy. "Troubles parallel ambitions in NASA Mars project." USA Today, 14 Apr 2008 <<http://www.usatoday.com/tech/science/space/2008-04-13-mars_N.htm>>)

NASA's new Mars rover aims high. It's bigger, more powerful and more sophisticated than any other robotic vehicle that has landed on another planet. It will try to answer a big question: Has life existed elsewhere in the solar system? Its very ambition has gotten the rover in trouble. Thanks to a mix of technological setbacks and engineering misjudgments, the rover's epic scale is matched by epic problems. Its story offers a cautionary tale as NASA plans to devote large chunks of its science budget in coming years to grand "flagship" missions, including a spacecraft to return Mars rocks to Earth and another that would visit a moon of Jupiter or Saturn. The new rover, known as the Mars Science Laboratory, is $235 million, or 24%, over budget. Work on it has run so late that engineers are racing to prepare the rover for its blastoff in 2009. After that, the next good launch window, when Mars and the Earth are closest, is in 2011. "They aimed high, and they got burned," says Arizona State University's Phil Christensen, a Mars scientist who helped review NASA's Mars program. To make up for Mars Lab's ballooning cost, $1.2 billion, NASA has had to raid the coffers of other science projects.

ET 2/2

### Past programs to search for intelligent life cost millions and they will be cut first when spending cutbacks occur

Reuters 11

(Gormon, Steve, and Alex Doubouzinskis. "Telescope array seeking alien life shut by cutbacks." Reuters, 29 Apr 2011 <http://uk.reuters.com/article/2011/04/29/science-us-usa-extraterrestrials-idUKTRE73S4Z320110429>)

LOS ANGELES - The search for intelligent life in the universe beyond planet Earth has been dealt a major blow by government spending cutbacks in the United States. The world's only radio telescope array specially designed to detect potential signals from distant worlds was shut down this month after money ran out, said Seth Shostak, senior astronomer for the group that runs the northern California facility. The setback comes at a crucial time for the Search for Extraterrestrial Intelligence (SETI) Institute, headquartered in Mountainview, California. Astronomers there were anticipating a slew of possible new research targets from the dozens of potentially life-supporting planets newly detected by NASA's Kepler space telescope orbiting distant stars in the Milky Way galaxy. "It's a frustrating thing to know that there are worlds out there that may have life, intelligent life, and not be able to look for them," Shostak told Reuters. Shostak said the Kepler telescope has pinpointed about 50 potentially habitable planets beyond the solar system in the Milky Way, leading scientists to estimate the existence of at least 500 million such worlds in the galaxy. The Allen Telescope Array, named for Microsoft Corp co-founder Paul Allen, one of its chief benefactors, consists of 42 dish-like antennas about 20 feet in diameter, operated as one large radio telescope in the Cascade Mountains east of Reading, California. The site, which stretches across a third of a mile (half a kilometer), resembles the fictional array operated by the character played by Jodi Foster in the 1997 science fiction film "Contact," based on the novel by Carl Sagan. Other radio telescope complexes are capable of searching for extraterrestrial signals in deep space, but only the Allen array was designed specifically for that purpose and was dedicated to that research around the clock, Shostak said. What scientists are listening for in a galaxy filled with natural and artificial radio "noise" is a distinct, repeating pattern of electromagnetic signals, emanating from space, across a limited range of frequencies. Such a pattern could indicate that it was sent by intelligence life. Built with private donations, and still expanding, the facility is part of the Hat Creek Radio Observatory, run by the Radio Astronomy Lab of University of California, Berkeley. But the project was hit hard by recent state budget cuts for University of California, Berkeley. Money from the National Science Foundation also has been scaled back drastically. It costs about $1.5 million a year to operate the array, which has been running for five years, and at least $1 million to cover the related cost of the SETI research, according to the institute.

### **The search for extraterrestrial life is a costly operation**

The Guardian 11

(Jha, Alok. "Alien finding institute Seti runs out of cash to operate telescope." Guardian, 26 Apr 2011: n. pag. Web. 30 Jun 2011. <http://www.guardian.co.uk/science/2011/apr/26/alien-institute-seti-cash-telescope>>)

In real life, the Seti Institute has spent five decades hunting the skies for radio signals from deep space, possible communications which may indicate we are not alone in the universe. Now it has fallen prey to a very earthly problem: it has run out of cash. The institute's chief executive, Tom Pierson, has announced that there are "serious challenges" in finding operating funds and that from this week the organisation's brand new $50m (£30m) telescope array will be placed into hibernation. "This means that the equipment is unavailable for normal observations and is being maintained in a safe state by a significantly reduced staff," he said in a letter to private donors to the institute. The problems revolve around the operation of the Allen Telescope Array (ATA), a set of radio dishes dedicated to looking for alien signals. Though it was paid for by the Seti Institute, the array, at the Hat Creek Radio Observatory, 300 miles north-east of San Francisco, is managed and operated by the radio astronomy lab of the University of California, Berkeley. According to Seti senior astronomer Seth Shostak, the facility needs about $2m-$3m a year to function and to keep the scientific research programmes going. The scientists need an additional $5m to fund a two-year project to listen for possible radio signals coming from the Earth-like exoplanets found by Nasa's Kepler satellite. Launched in 2009, it has already identified more than 1,000 candidate planets, which the Seti Institute wants to use to narrow its search. The money needed to operate the observatory has until now come from a mixture of private donations, the US National Science Foundation (NSF) and the state government of California. "As it happens, Berkeley's budget is way down – the state of California is in terrible financial circumstances because of the economic downturn," Shostak said. "Consequently, they don't have the money to keep the doors open and pay the electric bills and pay the staff at the antenna. And we don't either, because we run our Seti projects mostly based on private donations, and those are down as well." Funding from the NSF has also been cut, to about a tenth of its former level.

## NASA 1/2

### NASA overuses budgeted resources

GAO 5

[GAO, “NASA’S SPACE VISION Business Case for Prometheus 1 Needed to Ensure Requirements Match Available Resources,” Feb. 2005, http://www.gpo.gov/fdsys/pkg/GAOREPORTS-GAO-05-242/html/GAOREPORTS-GAO-05-242.htm]

While NASA has been successful in missions such as Mars Pathfinder and Exploration rovers, the agency has had difficulty implementing a number of other costly initiatives because it was overly optimistic in what could be achieved within available resources. NASA's failure to adequately define requirements and quantify the resources needed to meet those requirements has resulted in some projects costing more, taking longer, and achieving less than originally planned. Prometheus 1 will compete for NASA resources with other space missions-including, in the near term, efforts to return the shuttle safely to flight and completing the International Space Station.

### The USFG gives too much money to NASA which is spent irresponsibly on an inefficient, unpractical, and expensive method of space exploration.

Kaku 9

Michio Kaku. July 2009. The Cost of Space Exploration. <http://www.forbes.com/2009/07/16/apollo-moon-landing-anniversary-opinions-contributors-cost-money.html>.

As Isaac Asimov once commented, we scored a touchdown, then took our football and went home. After all is said and done about what went wrong, the bottom line is simple: money. It's about $10,000 to put a pound of anything into a near-earth orbit. (Imagine John Glenn, the first American to orbit the earth, made of solid gold, and you can appreciate the enormous cost of space travel.) It costs $500 to $700 million every time the shuttle flies. Billionaire space tourists have flown to the space station at a reputed price of $20 million per head. And to put a pound of anything on the moon costs about 10 times as much. (To reach Mars, imagine your body made of diamonds.) We are 50 years into the space age, and yet space travel is just as expensive as it always was. We can debate endlessly over what went wrong; there is probably no one correct answer. But a few observations can be made. The space shuttle, the workhorse of the space program, proved to be somewhat of a disappointment, with large cost overruns and long delays. It was bloated and probably did not need to have seven astronauts on board. (The Soviet copy of the space shuttle, a near-clone called the Buran, actually flew into outer space fully automated, without any astronauts whatsoever.) An alternative to the space shuttle was the original space plane of the Eisenhower era. It was to be small and compact, but provide easy access to space on a moment's notice, instead of the long months to prepare each shuttle launch. It was to take off and land like a plane, but soar into outer space like a rocket. President Ronald Reagan called one version of it the "Orient Express." (Ironically, now there will be a hiatus as the space shuttle is mothballed next year. Instead of fast and cheap access to space, for five years we will have no access to space at all. We'll have to beg the Europeans and Russians to piggy-back off their rockets.) One of the primary missions of NASA should have been to drive down the cost of space travel. Instead of spending half a billion dollars on each shuttle mission, it should have diverted some of the funds to make research and development a primary focus. New materials, new fuels and innovative concepts, which would make space exploration less expensive, should have been prioritized. (Today, some of that entrepreneurial spirit still lives in the commercial sector, as it tries to nourish a fledgling space tourism industry.) The space station costs upward of $100 billion, yet its critics call it a "station to nowhere." It has no clearly defined scientific purpose. Once, President George H.W. Bush's science adviser was asked about the benefits of doing experiments in weightlessness and microgravity. His response was, "Microgravity is of microimportance." Its supporters have justified the space station as a terminal for the space shuttle. But the space shuttle has been justified as a vehicle to reach the space station, which is a completely circular and illogical argument.

NASA 2/2

### **There are better uses for the money spent on NASA**

Pop 4

[Virgiliu Pop. Jan 2004. Is Space Exploration Worth the Cost?. <http://www.spacedaily.com/news/oped-04b.html>. ]

He was met by Thomas Paine, the administrator of NASA, who was informed that in the face of such suffering, space flight represented an inhuman priority and funds should be spent instead to feed the hungry, clothe the naked, tend the sick, and house the homeless. Paine enlightened the good reverend that the advances in space exploration were child's play compared to the tremendously difficult human problems of the society, and told him that "if we could solve the problems of poverty by not pushing the button to launch men to the moon tomorrow, then we would not push that button." Here are $976.3 billion dollars – almost a trillion - spent every year in the US on pets, toys, gambling, alcohol and tobacco. It is 63 times the amount spent on space exploration – with the difference that NASA has not destroyed lives as the alcohol, tobacco and gambling did. It is not the exploration spirit that Americans need to give up in order to alleviate poverty. It is the consumerist spirit.

## SBSP Satellites 1/2

### Rocket-lifting SBSP satellite parts to space makes no economic sense

Henson 9

[Keith Henson, L5 Society Founder, Nov 2009 6th International Symposium on Beamed Energy Propulsion, Vol. 1230 “Beamed Energy and the Economics of Space-Based Solar Power http://link.aip.org/link/?APCPCS/1230/257/1]

Beamed energy has been part of space-based solar-power (SBSP) design since Dr. Peter Glaser first proposed it in 1968. The standard proposal uses microwaves to transmit energy from geosynchronous orbit (GEO) to the surface of the earth. This paper analyzes a second use of beamed energy, laser ablation propulsion, to make building power satellites economical.1 Space-based solar power (SBSP) is arguably the cleanest source of energy available. Unfortunately, SBSP makes no sense economically with current transport systems into space [1]. This is in spite of the PG&E deal for 200 MW with Solaren (April 2009). On the other hand, huge power projects such as dams often take decades. Three Gorges Dam was proposed 90 years before it became operational. Grand Coulee Dam was discussed for 13 years and took nine to build. Nuclear reactors take more than a decade to construct. Perhaps the time has come for SBSP. We surely need some energy source to replace fossil fuels, particularly oil as the extraction rate peaks, and coal if we are concerned about CO2. CO2 will acidify the oceans if it does nothing else. So, what are the prospects of space based solar power (SBSP) displacing fossil fuels over the next few decades? Without radical reductions in transportation cost, they are not good. The reason is the high cost of lifting power satellite parts from the earth to GEO (or even to LEO) with rockets [2]. If space-based solar power is to replace fossil fuels without government mandates it must be substantially less expensive. Since coal-fired plants produce power for around four cents per kWh, the target of this discussion will be two cents per kWh. To displace oil requires an even lower cost, around one-cent per kWh. A penny a kWh translates into dollar-a-gallon synthetic fuels made from hydrogen and carbon dioxide from the air. The first step for an economic analysis is a projected income. There are 8766 hours in an average year, 8000 hours if the energy is available 91% of the time. A power satellite would generate $80 of revenue per kW per year at one cent per kWh. For a ten-year payback at $80 per year, the permissible investment would be $800 per kW. At two cents per kWh or a 20-year payback, the maximum investment could rise to $1600 per kW or $1.6 B per GW. (A ten-year payback is simplistic, but good enough for rough analysis.) Reaching this figure requires a launch cost to GEO of less than $100/kg. This is about a 200-fold reduction in current costs. Others also recognize the need for this much reduction. For reasons rooted in physics and chemistry, it is unlikely that chemical rockets alone can reach this figure, even to LEO.

### Cost of SPS too high to be economically viable

Mankins 9

[John Mankins, Founder of Artemis Innovation Management Solutions, Jul-Aug 2009 Acta Astronica, Vol. 65 Issues 1-2 “New Directions for Space Solar Power” http://www.sciencedirect.com/science/article/pii/S0094576509000551]

SPS would, if built constitute largest of all future space systems. In the 1970s, emplacing quite large construction platforms (involving the deployment of 100s of astronauts) to LEO and GEO bases was expected to solve the problem of constructing and maintaining these systems. However, these solutions were projected to involve initial costs of more than $200B–$350B ($, FY 2005) before the ﬁrst commercial kilowatt-hour of energy could be delivered. Advances in computing software, sensing and materials make possible robotic systems of previously unachievable capabilities. Better approaches are now possible. At commercial aviation hardware cost levels of about $1000/kg (much less than typical space hardware costsof 10–100 times more) large SPS may not be economically viable. Costs consistent with large-scale consumer products manufacturing are needed. Given that the manufactured cost of typical space hardware is on the order of $25,000–$50,000 per kilogram, the resulting cost of even a light SPS could become remarkably high.

SBSP Satellites 2/2

### Solar power manufacturing costs too high

Lewis 7

[Nathan Lewis, Caltech Chemistry Professor, Feb 07 Science, Vol. 315 “Toward Cost-Effective Solar Energy Use” http://www.sciencemag.org/content/315/5813/798.full]

Shipped PV modules now have efficiencies of 15 to 20% in many cases. At such an efficiency, if the cost of a module is ~$300/m2 (2), and if we take into account the accompanying fixed costs in the so-called “balance of systems” (such as the inverter, grid connection, etc., which add a factor of ~2 to the total installed system cost), then the sale price of grid-connected PV electricity must be $0.25 to $0.30 per kilowatt-hour (kWh) to recover the initial capital investment and cost of money over the lifetime of the PV installation (2, 4). Currently, however, utility- scale electrical power generation costs are much less, with current and new installations costing ~$0.03 to $0.05 per kWh (1). Hence, for solar electricity to be cost-competitive with fossil- based electricity at utility scale, improvements in efficiency are helpful, but manufacturing costs must be substantially reduced.

### **SBSP Too Costly to be effective**

Rosenman ’07

[Long time member of National Space Society; May 2007, Crowl Space, “Barely affordable SPS using ISRU in LEO,” presentation done at the ISDC in May 2007; http://crowlspace.com/?page\_id=50]

 One part of a solar power satellite is solar cells. One way to rate these cells is in kilowatts of power collected per kilogram of weight of the cell (kW/Kg ). Current cells are 2 kW/Kg. To launch 5 gigawatts of solar cells to low earth orbit would cost $22.5 billion at $5,000 per pound launch costs, and that is just for the solar cells. If you launch them to geosynchronous orbit, where they need to be, the cost doubles to $45 billon. That is why it is so expensive to do this project. To compare, the solar cells cost about $1 apiece or about $5 billion for 5 gigawatts of collecting capacity. The hardware that has to be delivered to geosynchronous orbit and assembled to do this project consists of the solar cells, the wiring and power management hardware, the structural parts, and the transmitter. The total weight that goes to geosynchronous orbit comes to about 3 times that of the solar cells, making the cost of delivering just the parts to geosynchronous orbit about $135 billion. And they still have to be bought, and assembled. How can we make those costs less? Ion engine technology can reduce the costs of going from low earth orbit to geosynchronous orbit by a factor of 7, if we ignore the cost of energy to the ion engine. Since we are using solar cells, if they can be made usable in low earth orbit, then our cost of energy is free. That means we can deliver our materials to geosynchronous orbit for about $75 billion, plus their costs, Add what the solar power collector assembly in low earth orbit costs, and the ion engine vehicles. Still way too costly to be practical, but on the way

## Space NMD

### Space based NMD would cost billions

Kaufman et al 2003

(Richard F. formerly General Counsel of the Joint Economic Committee of the US Congress THE FULL COSTS of BALLISTIC MISSILE DEFENSE Center for Arms Control and Non-Proliferation

http://[www.epsusa.org/publications/papers/bmd/bmd.pdf](http://www.epsusa.org/publications/papers/bmd/bmd.pdf))

Space based laser (boost-phase) missile defense system We assume that a credible space-based laser missile defense system would require con-stellations of either 48 or 72 satellites, as the basis for its cost estimates. We estimate that acquisition of the 48 and 72 satellite constellations, respectively, would cost $128 billion and $195 billion. Total life cycle costs for these constel- lations would be $310 billion and $423 billion respectively. Space Based Kinetic Boost Phase Missile Defense System We believe that the life cycle costs of a space based kinetic missile defense system, similar to the “brilliant pebbles” system, would cost about $69.9 billion.

# Internals

## Lack of compromise would have dire consequences

### Both Democrats and Republicans promise dire consequences if compromise not reached; neither side willing to give; rhetoric has escalated

NORINGTON 2011

(BRAD, WASHINGTON CORRESPONDENT Obama's GOP barb escalates debt war The Australian July 1, lexis)

BARACK Obama has inflamed class-warfare tensions with Republican opponents over stalled US government debt talks by lashing out at their refusal to accept tax hikes for billionaires and owners of corporate jets. The US President used his first media conference in three months yesterday to escalate pressure on Republicans in congress blocking an increase in the government's $US14.3 trillion borrowing limit. Accusing his opponents of protecting the wealthy, Mr Obama said a settlement on the debt ceiling was urgent to avoid a financial crisis if Washington defaulted on its debt. He demanded that any deal with the Republican Party that involved reducing the US federal budget deficit should include increased taxes and spending cuts to government programs. Republicans want budget cuts before agreeing to lift the debt ceiling, but oppose tax increases. ``It would be nice if we could keep every tax break there is, but we've got to make some tough choices here if we want to reduce our deficit,'' Mr Obama said. ``And, if we choose to keep those tax breaks for millionaires and billionaires, if we choose to keep a tax break for corporate jet owners, if we choose to keep tax breaks for oil and gas companies that are making hundreds of billions of dollars, then that means we've got to cut some kids off getting a college scholarship. ``That means we've got to stop funding certain grants for medical research. That means that food safety may be compromised. That means that Medicare (for the elderly) has to bear a greater part of the burden.'' The Republican leadership was offended when Mr Obama compared their behaviour with children. He said his daughters, Malia and Sasha, finished their homework well in advance without ``pulling all-nighters'' while the Republican-controlled House of Representatives had failed to accept the urgency of raising the borrowing limit before a final deadline of August 2, when it would start defaulting on loans. Republican house Speaker John Boehner signalled Mr Obama's comments had deepened the rift, insisting that no debt ceiling increase would be granted if Democrats tried to force tax increases. Mr Boehner accused Mr Obama of ignoring legislative and economic reality, and said the comments about homework demonstrated remarkable irony. ``His administration has been burying our kids and grandkids in new debt and offered no plan to rein in spending,'' Mr Boehner said. ``Republicans have been leading and offering solutions to put the brakes on this spending binge. The President has been AWOL from the debate.'' Mr Obama had delegated the job of negotiating a deficit reduction plan and increased debt ceiling to Vice-President Joe Biden, but took charge this week after talks with Republicans broke down over tax increases. While saying he did not want to spook US voters, Mr Obama warned of dire consequences for the world economy and a slide back to recession if the US defaulted on its borrowings. Mr Obama's comments came as the IMF warned an increase in the US debt ceiling was needed quickly to avoid a ``severe shock'' to the US economy and world financial markets. Failure to do so would prompt a sudden increase in interest rates and risk a downgrade in Washington's AAA-credit rating. Treasury Secretary Tim Geithner rebutted Republicans in congress who claimed the issue could be postponed in favour of paying interest on debt and cutting spending instead. Mr Geithner warned that failure to increase the debt limit would force an immediate 40 per cent cut in government spending.

## Pork barrel spending 1/2

### Focus on pork barrel projects kills the space program

Friedman 10

[Louis Friedman, Former Executive Director and Co-founder of The Planetary Society, September 29, 2010 Too Much Pork, Too Little Exploration http://www.planetary.org/programs/projects/space\_information/20100929.html]

Sadly the exploration goal in the Vision for Space Exploration was lost in favor of developing a permanent lunar base and a national policy focused on U.S. dominance in cis-lunar space. With the exploration goal dropped, and the objective of even getting back to the Moon slipping by a decade (and Mars put off indefinitely), we began calling for change – a new Roadmap to Space. Change has now been proposed. It is disruptive and contentious. It attempts to harness public-private partnerships and international cooperation to make human space exploration more sustainable. The differences of opinion and interests in the current Congressional debate expose a more significant question -- why should we have a human space program? Is it about exploration and great achievement, or is it about jobs and contracts? The latter follows from the former, but not the reverse. If the decisions now before Congress are made on the basis of congressional district winners and losers and which companies keep their contracts, then assuredly we will go another 40 years, just like the past 40 years, without adding human space exploration achievements. Even worse, the obvious will happen – those in the country and the Congress less interested in space will turn their attention to creating jobs bill in more traditional areas. Talk has already begun in Washington about budget cuts and how the budget increase for NASA proposed by President Obama looks like low-hanging fruit. The NASA Authorization bills proposed in Congress barely mention exploration. They contain heavy prescriptions for how to build things, pointing to specific contractors. Having politicians design our rockets, propulsion systems, crew vehicles and payloads is a prescription for spending lots of money and accomplishing little. When President Kennedy told NASA to get to the Moon, Congress didn’t prescribe the payload capacity of Saturn or its choice of fuel. Nor did they prescribe Earth orbit rendezvous or Moon orbit rendezvous. They left those designs to engineers and scientists. The same needs to happen now.

Pork barrel spending 2/2

### And, pork spending undermines democratic process

Walker, 10

[Patrick J. Walker, College of Business & Economics, University of Kentucky April 2010 Pork Barrel Spending: Is It Unethical? gatton.uky.edu]

Pork barrel spending, although most prevalent in the politics of today, is certainly not a new concept. According to John W. Ellwood and Eric M. Patashnik, in their article “In Praise of Pork,” “Since the first Congress convened in 1789 and debated whether to build a lighthouse to protect the Chesapeake Bay, legislators of both political parties have attempted to deliver federal funds back home for capital improvements and other projects” (20). While some may argue that this pork barrel spending is a necessary tool for politicians to ensure benefits to his or her constituents, many would agree that the spending is much more detrimental than beneficial. I will argue that pork barrel spending and the addition of pork barrel projects to legislative spending bills are unethical for the following reasons: pork barrel spending wastes billions of American taxpayer dollars each year, the specific pork barrel projects are often trivial and unnecessary, and pork barrel spending provides unfair advantages to incumbent politicians in elections. The first and perhaps most important reason that pork barrel spending is unethical is because it wastes billions of taxpayer dollars each year. According to Steven J. Balla, et al., in their article “Partisanship, Blame Avoidance, and the Distribution of Legislative Pork,” “Since 1996, the number of pork projects each year in appropriations bills has skyrocketed from 958 to 13,999 – at an annual cost of $27 billion” (516). At a time when the economy is recovering from a disastrous recession, $27 billion is an astonishing amount of money. While many Americans are struggling to pay their bills, politicians are wasting American tax dollars in order to please their supporters back home. Most recently, pork barrel spending has reached an all time high. According to Citizens Against Government Waste (CAGW), “In fiscal year 2009, Congress stuffed 10,160 projects into the 12 appropriations bills worth $19.6 billion” (par. 5). While this represents a 12.5 percent decrease from the 11,610 projects in fiscal year 2008, one should not be fooled. Although the actual number of pork barrel projects decreased, “the $19.6 billion is a 14 percent increase over the fiscal year 2008 total of $17.2 billion” (CAGW par. 5). As one can see, the level of pork barrel spending by Congress has been escalating each year at an alarming rate. Aside from being expensive and unnecessary, pork barrel spending is unethical in that it provides unfair advantages to politicians who use the legislation to gain favor in upcoming elections. According to Robert M. Stein and Kenneth N. Bickers, in their article “Congressional Elections and the Pork Barrel,” “Legislators that are likely to face an uphill reelection battle may attempt to bring more awards into the district, which in turn should increase the probability that voters will support them in the voting booth” (379). Those legislators that are vulnerable to electoral defeat have more of an incentive to attach “pork” to appropriation bills. Since pork barrel spending often funds projects in a legislator‟s district, it often becomes a way for legislators to demonstrate their efficacy and value to district voters. Stein and Bickers note that, “Secure legislators, by contrast, may be unwilling to expend time and energy in an effort to increase the number of projects benefiting the district, given the high probability that voters will support them regardless of any short run changes in the flow of projects to the district” (379). When these facts are brought to light, it seems that most legislators who take part in pork barrel spending may do so only to bring benefits to themselves and their political careers, and not because they believe the projects they are fighting for are actually worth taxpayers‟ money. In essence, legislators are using our money to buy themselves votes – an act that is certainly unethical. Aside from giving incumbent legislators an advantage in elections, pork barrel spending is known to directly lead politicians to partake in other illegal or unethical political corruptions, such as bribery and receiving illegal campaign contributions. According to Jaclyn Schiff, in her article “Pork is Bad for Nation‟s Health,” the practice of allowing lawmakers to decide who received federal grants invites corruption. Schiff states, “Congressional e- mail messages made public show that, on certain bills, each lawmaker is given his or her own individual pot of tax dollars to distribute as he or she wishes. While explicit trades of campaign donations for pork are difficult to prove, the link between the two is no secret. Not surprisingly, much of this money goes to the highest bidder” (par. 4). Schiff essentially suggests that some politicians are auctioning off our taxpayer dollars in exchange for illegal campaign contributions. To think that this is how the money of millions of hardworking American citizens is being spent is preposterous.

## Tea Party Against NASA 1/3

### Tea party against NASA spending

Nelson 11

[Steven Nelson, Jun 2011 The Daily Caller, “Tea Party Group Launches into Space Policy Debate” http://dailycaller.com/2011/06/24/tea-party-group-launches-into-space-policy-debate/]

On Thursday, TEA Party in Space (TPIS) unveiled its “TEA Party Space Platform.” The group, which is affiliated with the Tea Party Patriots, hopes NASA will return “to its roots as [a research and development] agency instead of serving as a slush fund for a few influential members of Congress,” TPIS President Andrew Gasser said in a Thursday press release. Just like a political party’s platform, this agenda is made up of specific issues. Among the fourteen calls to action is for Congress to pass legislation to cap liability for commercial human spaceflight. Another of the tenets calls for a “Zero-G means Zero-Tax” arrangement, which would establish tax exemptions for business activities related to human spaceflight. Additionally, the group wants for Congress to allow NASA to cancel all existing Shuttle, Ares and Space Launch System contracts in order to force the termination of an $11 billion earmark included in the 2010 NASA Authorization Law and for NASA to “competitively bid the development of human exploration transportation capabilities.” Gasser said in the Thursday press release, “Whether it’s timidity from the White House or Congress’ earmark-laden ‘compromises,’ our space dreams will be stuck on this planet unless someone articulates a vision based on economic and technical reality, so that’s what we’ve done.” “The status quo of crony capitalism, earmarking billions of NASA’s budget to a few companies, districts and states, has got to stop,” he said. “We already tried this approach with Constellation and all we have to show for it are stacks of power point presentations, some pretty CGI videos, and a half-billion-dollar practice rocket.”

### The Tea Party’s does not approve of the use of the money given to NASA.

Gasser 11

[Andrew Gasser. April 2011. (Explaining the Tea Party in Space. http://www.teainspace.com/explaining-the-tea-party-in-space/)]

At a glance, the first part of the first sentence seems believable. One of our core values is fiscal responsibility. However, since when has the TEA Party ever “coddled” anyone or anything? We don’t. We look at situations and apply our values and make a decision. It isn’t rocket science. When we look at spaceflight provided by commercial providers such as SpaceX as the poster was insinuating, first we should all realize that they have been given monies by the federal government. As of March, 2011 SpaceX has received 500 million dollars over six years. Compare and contrast that to NASA which has spent 11.1 Billion dollars over that same time period. Between Elon Musks personal contribution and the governments funding, SpaceX has launched seven vehicles, created two new classes of rockets, created five new engines, and a capsule that orbited the earth. Meanwhile, NASA has built Ares 1X, which contained only 10% of a real Ares 1 to the tune of 400 million dollars. Ares V was vaporware. It only exists in computer animations and power point presentations. It is easy to see how common folks who have to pay a mortgage, car payment, have 2.3 children, and paying 4 bucks for a gallon of gas, and spend two minutes a month thinking about spaceflight can conclude that SpaceX is a very good deal for the American tax payer. But that isn’t what set me off.

Tea Party Against NASA 2/3

### The Tea Party strive to cut the budge for defense is accepted more people.

CBS 11

[CBS News. Jan 2011. (Tea Party: Defense Spending Not Exempt From Cuts,

 http://www.cbsnews.com/stories/2011/01/23/politics/main7274710.shtml]

Defense Secretary Robert Gates, in a recent pre-emptive move, proposed $78 billion in spending cuts and an additional $100 billion in cost-saving moves. While that amounts to $13 billion less than the Pentagon wanted to spend in the coming year, it still stands as 3 percent growth after inflation is taken into account. That's why tea party groups say if the government is going to cut spending, the military's budget needs to be part of the mix. "The widely held sentiment among Tea Party Patriot members is that every item in the budget, including military spending and foreign aid, must be on the table," said Mark Meckler, co-founder of the Tea Party Patriots. "It is time to get serious about preserving the country for our posterity. The mentality that certain programs are 'off the table' must be taken off the table." Former House Majority Leader Dick Armey and Matt Kibbe, leaders of the group FreedomWorks, which has backed the tea partiers, recently wrote in a Wall Street Journal editorial that "defense spending should not be exempt from scrutiny." On Gates' proposed savings of $145 billion over five years, they said, "That's a start." Just about all Republicans - and plenty of Democrats, too - favor paring back spending. But when it comes to specific cuts - eliminating money for schools, parks, hospitals, highways and everything else - the decisions get difficult. Every government expenditure has its advocates and no one wants his or her program cut. Fault lines have emerged within the Republican ranks over how deep to cut and where to whittle. In the coming weeks, lawmakers will feel the pressure from constituents and colleagues. "Everything is ultimately on the table," said Rep. Jon Runyan of New Jersey, a freshman Republican and a tea party favorite.

Tea Party Against NASA 3/3

### The Tea Party is using NASA’s bad reputation as a rallying point to go against Obama’s administration

Huang 10

[Michael Huang. March 2010. Obama picks a Tea Party Tax Day for his space summit. http://www.thespacereview.com/article/1584/1]

It could be coincidence that the Obama administration has set April 15, or “Tax Day”—the deadline for submitting federal income tax returns—as the date of the highly anticipated space summit in Florida. But there are clear advantages for the administration for deliberately choosing this date. Tax Day is when the Tea Party movement has planned protests across the nation that will certainly be covered by the national media. As the pundits would say, it would be “good optics” for President Obama to discuss his planned cancellation of a high-profile program on the same day that anti-tax, anti-spending protests are dominating the airwaves. The Tax Day space summit could publicly split conservatives, with Tea Party conservatives in favor of eliminating programs, and Reagan-Bush conservatives in favor of an ambitious space program. Driving a wedge into the Republican Party makes it easier for Obama to advance his agenda on all fronts. The summit puts NASA’s bipartisan supporters in a tough spot. The dominant theme of April 15 will be taxes. If NASA supporters start talking about space on Tax Day, they will look out of place and out of touch. Even the urgent issue of jobs will be temporarily overshadowed by taxes on this one day. The media coverage last year, on April 15, 2009, centered on the Tea Party protests. Obama’s schedule for that day included remarks on the tax code and tax relief. Worse, the Florida space summit clashes with the National Space Symposium in Colorado Springs, where NASA Administrator Charles Bolden is still listed as a featured speaker that day. NASA supporters should push for the administration to change the date of the summit and remove one source of politicization. If the White House refuses to change the date, it should be questioned on whether it is using the timing of this summit for political purposes. Another problem for the space summit is the issue of trust. Obama’s campaign originally proposed delaying Constellation for five years as a means of helping fund its education plan. His second plan scrapped the delay and endorsed the goal of returning to the Moon by 2020, a promise made during the presidential campaign. After being elected, Obama’s third proposal is to kill Constellation and cancel that 2020 lunar return. The fact-checking website PolitiFact.com classified it as a broken promise. Obama will undoubtedly make many fine pronouncements at the space summit, but from his track record of flip-flops and broken promises, some of his audience will be disinclined to believe. Obama is on the record saying that he supports human spaceflight, but his actual actions in the budget say otherwise. No robotic programs are being killed or modified to the same radical extent as Obama’s treatment of human spaceflight. There is a world of difference between Obama’s favored and least favored programs. In Obama’s vision for NASA, human spaceflight occupies the lowest rung in the hierarchy, and receives the worst treatment, while his public relations machine tries to give it a positive spin. Unfortunately for public relations, the administration could not suppress the obvious joy and delight of anti-human spaceflight partisans. Bob Park and Steven Weinberg lauded the proposed termination of Moon and Mars missions, ruining the administration’s carefully-worded press releases and sound bites. Commentators have described Obama’s decision as a symbol of American decline. The nation that once achieved greatness does not have the will or capacity to go back or go further. The sad thing is this decline was not forced, but made through choice. Unhappy with the fallout in the media and in Congress, the administration is putting the ball in the president’s hands. Obama managed to fool a state and a nation during the campaign, and he might do it again on Tax Day. But his audience is wiser and more cynical than ever.

## Spending leads to Increased Spending

### US government irresponsible spending will lead to debt and increase in taxes

Mulligan 9

[Casey B. Mulligan. June 10, 2009. The New York Times. “Inflation and Government Spending” http://economix.blogs.nytimes.com/2009/06/10/inflation-and-the-size-of-government/]

The federal government is spending a lot these days, and going [deeply in debt](http://www.usdebtclock.org/). Although it is easy to imagine high inflation as a consequence of excessive government spending, inflation rates and government spending are weakly correlated, if correlated at all. John Maynard Keynes wrote the most important and insightful economics book ever — “[The Economic Consequences of the Peace](http://www.econlib.org/library/YPDBooks/Keynes/kynsCP.html)” — successfully predicting an instance in which excessive government spending would create inflation, and worse. Published shortly after World War I, the book analyzed the economic capacity of Germany, and explained how it was not nearly enough for the German government to pay the debts (“reparations”) imposed on her by the Allied powers’ Treaty of Versailles. Dire political and economic consequences would result from the excessive debt burden created for Germany by the Treaty of Versailles, Keynes wrote. The Allied powers did not reduce the reparations nearly as much as Keynes recommended; the German economy and polity subsequently produced hyperinflation, the Holocaust and violent contributions to World War II. The Bush and Obama administrations have added, and continue to add, much to the United States’ national debt. Both Republicans and Democrats spend too much of taxpayers’ money, but excessive government spending does not mean that inflation will necessarily — or even probably — follow. Our study found significant positive correlations between inflation and government spending only in cases when military spending grew — as it does during wartime. But the government spending growth we have seen in 2008 and 2009 comes from the nonmilitary part of the budget. Taxpayers will suffer as a result of the federal government’s recent and excessive spending, but a great many taxpayers around the world have faced similar liabilities, while nonetheless experiencing modest or low

## Lifting Debt Ceiling Key to the Economy 1/2

### **The US economy is fragile – failure to lift the debt ceiling would be a sever shock that would cripple the global economy**

BBC 6/29

[BBC, “IMF warns US about its 'fragile' economy,” 29 June 2011, http://www.bbc.co.uk/news/business-13964661]

The International Monetary Fund has warned that the US debt burden is on an "unsustainable trajectory". But the IMF said the US must avoid a sharp correction in order to protect its fragile economic recovery. The IMF report forecast economic growth of 2.5% this year and 2.7% in 2012, which is below the Federal Reserve's own estimate of 3.3% next year. "The [US] recovery has proceeded at a relatively slow pace... and has recently weakened," the IMF said. The US budget deficit is projected to reach $1.4 trillion this year, above last year's $1.29 trillion gap and just below a record $1.41 trillion reached in 2009. In its annual review of the US economy, the IMF urged Washington to reach a swift agreement on a deal to raise the government's borrowing limit. 'Significant consequences' The Obama administration and Congress are locked in negotiations over making budget cuts before approval is given to raise the debt ceiling. The US Treasury already has reached the existing $14.3 trillion legal limit on the nation's debt and needs to raise the debt ceiling by 2 August to avoid a default. Failure to agree a debt limit deal would cause a "severe shock" to the economy, the IMF said, and could lead to a downgrade in the country's coveted AAA debt rating and send interest rates soaring. "These risks would also have significant global repercussions, given the central role of US Treasury bonds in world financial markets," the IMF said. President Barack Obama echoed these sentiments when he warned that: "If the United States government, for the first time, cannot pay its bills, if it defaults, then the consequences for the US economy will be significant and unpredictable".

Failure to lift the debt ceiling leads to catastrophic economic and market consequences

Reuters, 7/1

[Pedro Nicolaci da Costa, “Treasury warns of crisis absent debt limit deal,” Jul 1, 2011, Reuters

<http://www.reuters.com/article/2011/07/01/us-usa-debt-deadline-idUSTRE7603B520110701>]

The Treasury on Friday kept up the pressure on Congress to strike a [deal](http://www.reuters.com/finance/deals) to raise the debt ceiling and prevent a default, repeating that it would run out of legal room to borrow on August 2. President Barack Obama has been butting heads with congressional Republicans, who are using the $14.3 trillion legal debt limit as a bargaining tool to push for cuts in spending. Democrats say the debate is disingenuous, pointing out that Republicans just recently pushed hard for tax cuts for the wealthiest Americans that added significantly to the deficit. Treasury Secretary Timothy Geithner has warned of major risks to the world [economy](http://www.reuters.com/finance/economy) if Congress fails to act, potentially triggering a default on U.S. debt that would send shivers through an already-fragile banking system. "Geithner urges Congress to avoid the catastrophic economic and market consequences of a default crisis by raising the statutory debt limit in a timely manner," Mary Miller, assistant secretary for financial [markets](http://www.reuters.com/finance/markets), said in a statement that accompanied the Obama administration's latest monthly estimate on when the debt limit would become binding.

Lifting Debt Ceiling Key to the Economy 2/2

### Republicans want the debt ceiling compromise to fail; will blame Obama; results will be disastrous

KRUGMAN 2011 (PAUL To the limit The International Herald Tribune July 2, lexis)

In about a month, if nothing is done, the U.S. government will hit its legal debt limit. There will be dire consequences if this limit isn't raised. At best, we'll suffer an economic slowdown; at worst we'll plunge back into the depths of the 2008-9 financial crisis. So is a failure to raise the debt ceiling unthinkable? Not at all. Many commentators remain complacent about the **debt ceiling**; the very gravity of the consequences if the ceiling isn't raised, they say, ensures that in the end politicians will do what must be done. But this complacency misses two important facts about the situation: the extremism of the modern Republican Party, and the urgent need for President Obama to draw a line in the sand against further extortion. Let's talk about how we got here. The debt limit is a strange quirk of U.S. budget law: Since debt is the consequence of decisions about taxing and spending, and Congress already makes those taxing and spending decisions, why require an additional vote on debt? And traditionally the debt limit has been treated as a minor detail. During the administration of former President George W. Bush - who added more than $4 trillion to the national debt - Congress, with little fanfare, voted to raise the debt ceiling no less than seven times. So the use of the debt ceiling to extort political concessions is something new in American politics. And it seems to have come as a complete surprise to Mr. Obama. Last December, after Mr. Obama agreed to extend the Bush tax cuts - a move that many people, myself included, viewed as in effect a concession to Republican blackmail - Marc Ambinder of The Atlantic asked why the deal hadn't included a rise in the debt limit, so as to forestall another hostage situation (my words, not Mr. Ambinder's).The president's response seemed clueless even then. He asserted that ''nobody, Democrat or Republican, is willing to see the full faith and credit of the United States government collapse,'' and that he was sure that John Boehner, as speaker of the House, would accept his ''responsibilities to govern.''Well, we've seen how that worked out. Now, Mr. Obama was right about the dangers of failing to raise the debt limit. In fact, he understated the case, by focusing only on financial confidence. Not that the confidence issue is trivial. Failure to raise the debt limit - which would, among other things, disrupt payments on existing debt - could convince investors that the United States is no longer a serious, responsible country, with nasty consequences. Furthermore, nobody knows what a U.S. default would do to the world financial system, which is built on the presumption that U.S. government debt is the ultimate safe asset. But confidence isn't the only thing at stake. Failure to raise the debt limit would also force the U.S. government to make drastic, immediate spending cuts, on a scale that would dwarf the austerity currently being imposed on Greece. And don't believe the nonsense about the benefits of **spending** cuts that has taken over much of the public discourse: Slashing spending at a time when the economy is deeply depressed would destroy hundreds of thousands and quite possibly millions of jobs. So failure to reach a debt deal would have very bad consequences. But here's the thing: Mr. Obama must be prepared to face those consequences if he wants his presidency to survive. Bear in mind that Republican leaders don't actually care about the level of debt. Instead, they're using the threat of a debt crisis to impose an ideological agenda. If you had any doubt about that, last week's tantrum should have convinced you. Democrats engaged in debt negotiations argued that since we're supposedly in dire fiscal straits, we should talk about limiting tax breaks for corporate jets and hedge-fund managers as well as slashing aid to the poor and unlucky. And Republicans, in response, walked out of the talks. So what's really going on is extortion pure and simple. As Mike Konczal of the Roosevelt Institute puts it, the Republican Party has, in effect, come around with baseball bats and declared, ''Nice economy you have here. A real shame if something happened to it.'' And the reason Republicans are doing this is because they must believe that it will work: Mr. Obama caved in over tax cuts, and they expect him to cave again. They believe that they have the upper hand, because the public will blame the president for the economic crisis they're threatening to create. In fact, it's hard to avoid the suspicion that Republican leaders actually want the economy to perform badly. Republicans believe, in short, that they've got Mr. Obama's number, that he may still live in the White House but that for practical purposes his presidency is already over. It's time - indeed, long past time - for him to prove them wrong.

## Spending Cuts Key to Economy

### Spending cuts are key to the economy

**Stiles ‘11**

(Stiles, Andrew, May 9,2011, National Review Online, “Boehner on Debt Limit, Let’s talk Trillions” http://www.nationalreview.com/corner/266772/boehner-debt-limit-lets-talk-trillions-andrew-stiles)

House Speaker John Boehner (R., Ohio) will mark out a firm Republican position regarding the debt ceiling in his speech this evening at the Economic Club of New York (7 p.m., watch live here). He will insist that while allowing the country to default would be “irresponsible,” voting to raise the debt limit without spending cuts and reforms would be far worse in terms of the economic consequences. Most significantly, the speaker will demand that any increase to the debt limit be offset by spending cuts of a greater amount. “Without significant spending cuts and reforms to reduce our debt, there will be no debt limit increase,” Boehner plans to say, according to excerpts obtained by National Review Online. “And the cuts should be greater than the accompanying increase in debt authority the president is given. We should be talking about cuts of trillions, not just billions.” In other words, if President Obama wants to be able to borrow trillions more (and he does), he will have to consider meaningful reforms to entitlement programs — the primary drivers of the country’s debt problem — in exchange for Republican votes. The measures attached to a debt ceiling increase, Boehner will say, “should be actual cuts and program reforms, not broad deficit or debt targets that punt the tough questions to the future,” and everything is on the table except tax increases, including “honest conversations about how best to preserve Medicare.” Consider that yet another push back against the conventional media narrative that Republicans had “given up” on Medicare reform. “[W]ith millions of Baby Boomers beginning to retire, the status quo [on Medicare] is unsustainable,” Boehner will say. On taxes, the speaker will reiterate the Republican position that higher taxes will have adverse effects on job creation and economic growth. “Balancing the budget requires spending cuts and economic growth,” he plans to say. “We won’t have economic growth if we raise taxes and fail to address the drivers of our debt. The mere threat of tax hikes causes uncertainty for job creators — uncertainty that results in less risk-taking and fewer jobs.” Boehner will also go after the Obama administration’s energy policies, claiming that it is “simply untrue” that nothing can be done to reign in rising fuel prices. “Washington has also kept most of our nation’s vast energy resources under lock and key for decades, over the clear objections of the American people — the people who own those resources. If we had listened to the people decades ago — or even a few years ago — many of these resources would be available to us right now to lower the price of energy.” The current debt limit of $14.3 trillion is expected to be reached shortly, and Treasury Secretary Tim Geithner recently floated an increase of $2 trillion in order to meet the government’s obligations into early 2013. Geithner had urged action from Congress before May 16 but since extended the deadline to August 2.

# Impacts

## Global Economy Collapse Bad

### Global economic crisis causes war

Royal 10

[Jedediah Royal, Director of Cooperative Threat Reduction at the U.S. Department of Defense, 2010, Economic Integration, Economic Signaling and the Problem of Economic Crises,? in Economics of War and Peace: Economic, Legal and Political Perspectives, ed. Goldsmith and Brauer, p. 213-215 ]

Less intuitive is how periods of economic decline may increase the likelihood of external conflict. Political science literature has contributed a moderate degree of attention to the impact of economic decline and the security and defence behaviour of interdependent states. Research in this vein has been considered at systemic, dyadic and national levels. Several notable contributions follow. First, on the systemic level, Pollins (2008) advances Modelski and Thompson's (1996) work on leadership cycle theory, finding that rhythms in the global economy are associated with the rise and fall of a pre-eminent power and the often bloody transition from one pre-eminent leader to the next. As such, exogenous shocks such as economic crises could usher in a redistribution of relative power (see also Gilpin, 1981) that leads to uncertainty about power balances, increasing the risk of miscalculation (Fearon, 1995). Alternatively, even a relatively certain redistribution of power could lead to a permissive environment for conflict as a rising power may seek to **challenge a declining power** (Werner, 1999). Separately, Pollins (1996) also shows that global economic cycles combined with parallel leadership cycles impact the likelihood of conflict among major, medium and small powers, although he suggests that the causes and connections between global economic conditions and security conditions remain unknown. Second, on a dyadic level, Copeland's (1996, 2000) theory of trade expectations suggests that 'future expectation of trade' is a significant variable in understanding economic conditions and security behaviour of states. He argues that interdependent states are likely to gain pacific benefits from trade so long as they have an optimistic view of future trade relations. However, if the expectations of future trade decline, particularly for difficult to replace items such as energy resources, the likelihood for conflict increases, as states will be inclined to use force to gain access to those resources. Crises could potentially be the trigger for decreased trade expectations either on its own or because it triggers protectionist moves by interdependent states.4 Third, others have considered the link between economic decline and external armed conflict at a national level. Blomberg and Hess (2002) find a strong correlation between internal conflict and external conflict, particularly during periods of economic downturn. They write, The linkages between internal and external conflict and prosperity are strong and mutually reinforcing. Economic conflict tends to spawn internal conflict, which in turn returns the favour. Moreover, the presence of a recession tends to amplify the extent to which international and external conflicts self-reinforce each other. (Blomberg & Hess, 2002, p. 89) Economic decline has also been linked with an increase in the likelihood of terrorism (Blomberg, Hess, & Weerapana, 2004), which has the capacity to spill across borders and lead to external tensions. Furthermore, crises generally reduce the popularity of a sitting government. 'Diversionary theory' suggests that, when facing unpopularity arising from economic decline, sittinggovernments have increased incentives to fabricate external military conflicts to create a 'rally around the flag' effect. Wang (1996), DeRouen (1995), and Blomberg, Hess, and Thacker (2006) find supporting evidence showing that economic decline and use of force are at least indirectly correlated. Gelpi (1997), Miller (1999), and Kisangani and Pickering (2009) suggest that the tendency towards diversionary tactics are greater for democratic states than autocratic states, due to the fact that democratic leaders are generally more susceptible to being removed from office due to lack of domestic support. DeRouen (2000) has provided evidence showing that periods of weak economic performance in the United States, and thus weak Presidential popularity, are **statistically linked** to an increase in the use of force. In summary, recent economic scholarship positively correlates economic integration with an increase in the frequency of economic crises, whereas political science scholarship links economic decline with external conflict at systemic, dyadic and national levels.5 This implied connection between integration, crises and armed conflict has not featured prominently in the economic-security debate and deserves more attention. This observation is not contradictory to other perspectives that link economic interdependence with a decrease in the likelihood of external conflict, such as those mentioned in the first paragraph of this chapter. Those studies tend to focus on dyadic interdependence instead of global interdependence and do not specifically consider the occurrence of and conditions created by economic crises. As such, the view presented here should be considered ancillary to those views.

## US Economy Collapse Bad

### Economic downturn culminates in nuclear war

Cook, ‘7

[Richard C., retired federal analyst @ the US Treasury Department, June 14, "It’s Official: The Crash of the U.S. Economy has begun," Global Research, <online> http://www.globalresearch.ca/index.php?context=va&aid=5964]

Times of economic crisis produce international tension and politicians tend to go to war rather than face the economic music. The classic example is the worldwide depression of the 1930s leading to World War II. Conditions in the coming years could be as bad as they were then. We could have a really big war if the U.S. decides once and for all to haul off and let China, or whomever, have it in the chops. If they don’t want our dollars or our debt any more, how about a few nukes?

## Tea Party Bad – Extremism

### **The Tea Party is a catalyst for extremist activity**

Brant-Zawadzki 10

(Brant-Zawadzki, Alex. "Neo-Nazis, Militants Eye Tea Party for Recruitment." Huffington Post, 26 Jan 2010 <http://www.huffingtonpost.com/alex-brantzawadzki/tea-party-militants-nazis\_b\_437605.html>)

Tea parties are proving very attractive to both white supremacists and the militia movement. At 11:15 on Friday, in an online Patriot Caucus discussion forum, David E. Parsons wrote a post called "Militia Training Videos," with links to videos by Mark Koernke, a leading figure in the American militia movement, and his followers. One video linked to from the Patriot Caucus forum (embedded below) features militiamen emerging from a smoke-screened forest, armed with assault rifles, with the instructions: "Train as you will fight... So that you will fight as you have trained!!!" Militants such as Koernke have referred to their cause as the Patriot Movement for years. Meanwhile, multiple tea party groups are springing up which refer to themselves as "militias." Eric Odom, executive director of American Liberty Alliance, created the Patriot Caucus website on which the militia recruitment post was made. He has yet to respond to a January 22 email informing him of the post. At time of publication, the post was still up. But militants are not the only ones infiltrating the Tea Party movement. The white power movement views Tea Parties as opportunities to recruit as well as incite violence, as is evidenced by postings on the white power website Stormfront: Whites Forward: "Go where our people are starting to stand up around symptoms of the problem, and INTERVENE to guide them. Just because these started as an anti-tax protest doesn't mean that they must be limited and can't be developed upward toward an explicitly racial mass struggle." Scottish: "I think the "tea party" is a good way to meet people with potential. Most people at this event will be white people who are fed up with the direction of things and they are ready to hear how we got into this mess." On Jan. 22 the Council of Conservative Citizens attended a Florida Tea Party, where members distributed two boxes of their newsletter and 250 Council business cards. The CofCC is the political face of the white power movement. Their mission statement declares that they "oppose all efforts to mix the races of mankind, to promote non-white races over the European-American people." Last November, neo-Nazi J.T. Ready started a fight by unfurling a Hitler flag at an Arizona Tea Party. In the recent documentary, "White Power USA", Ready describes the Tea Party movement as "the beginning of a really good awakening." White supremacists believe that they are only the tip of an iceberg, the visible aspect of a more universal hatred. The documentary suggests that white supremacists see Tea Parties as "the best chance in decades to cross over into mainstream American politics."

## Tea Party Bad – Foreign Policy & US Institutions 1/4

### Allowing the Tea Party to come to power would risk the dismantling of central American institutions; dangerous for the U.S.

Reich 10

[Robert Reich, Octiber 29,2010, University of California Professor, The Salon, The Tea Party

is bad for business, http://www.salon.com/news/feature/2010/10/29/why\_aren\_t\_business\_leaders\_standing\_up\_to\_the\_tea\_party]

Even if it’s now on the fringe, the Tea Party won’t be for long. By fueling the Republican surge in the midterm elections, the Tea Party has become the single most powerful force in the GOP. It’s backing at least 14 Senate candidates, both challengers and incumbents, and is playing a significant role in scores of House races. It has already shaken the GOP to its core, defeating establishment Senators Lisa Murkowski in Alaska and Bob Bennett in Utah, and is exerting a strong gravitational pull on many other Republicans, such as Arizona’s John McCain. It will be a force in the run-up to the 2012 presidential election. Presidential aspirant Newt Gingrich has already declared his fealty, and Sarah Palin has become its grande dame. Beyond fiscal rectitude and less spending, Tea Party candidates are targeting the central institutions of American government. The GOP Senate candidate from Kentucky, Rand Paul, is among several who want to abolish the Federal Reserve. They blame the Fed for creating the Great Recession and believe that the economy would be better off without a single institution in Washington setting monetary policy. Even Maine’s stolid Republican Party, now under Tea Party sway, has called for eliminating the Fed. In a Bloomberg poll a few weeks ago, 60 percent of Tea Party adherents wanted to overhaul or abolish the Fed (compared with 45 percent of all likely voters). Another Tea Party target is the Internal Revenue Service. South Carolina Sen. Jim DeMint, who has emerged as the Senate’s leading Tea Party incumbent, says that his "main goal in the Senate will not only be to cut taxes, but to get rid of the IRS." Mr. DeMint’s goal is echoed by many Tea Party candidates, including Arkansas Rep. John Boozman, now running for Senate. At the least, business leaders who complain about uncertainties caused by Mr. Obama’s policies might be concerned. John Castellani, the former head of the Business Roundtable who is now running the Pharmaceutical Research and Manufacturers of America, told Bloomberg Businessweek this month, with remarkable understatement, "This kind of extremism makes it much harder to plan from a business perspective." GE’s Jeffrey Immelt may be unhappy with President Obama, but he’ll be far unhappier if the Tea Party takes over the GOP. Tom Borelli, director of the Free Enterprise Project of the National Center for Public Policy Research, a conservative think tank and vocal supporter of the Tea Party movement, has demanded Mr. Immelt’s resignation, calling GE an "opportunistic parasite feeding on the expansion of government." Among Mr. Immelt’s alleged sins: taking federal subsidies for clean energy. In a press release last week, the National Center for Public Policy Research stated clearly: "Liberal CEOs are the next target for Tea Party activism." Presumably, business leaders should also be uncomfortable with the Tea Party’s nativism. At the first national convention of the "Tea Party Nation" last February in Nashville, Tom Tancredo, former Colorado congressman and now Tea-Party-sponsored candidate for governor (as an independent), brought the crowd to its feet by denouncing the "cult of multiculturalism" and accusing immigrants of threatening America’s Judeo-Christian values. "This is our country," he declared to wild cheers. "Take it back!" More than half of Tea Party backers say they’d be more likely to vote for a candidate who supports changing the 14th Amendment to prevent the children of noncitizens born in the U.S. from automatically becoming citizens. And Tea Partiers strongly support Arizona’s recent immigration law making failure to carrying immigration documents a crime and giving police broad powers to detain anyone suspected of being in the country illegally. "We’re all Arizonans now," says former Alaskan Gov. Sarah Palin.

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Tea Party Bad – Foreign Policy & US Institutions 2/4

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Many Tea Partiers similarly recoil from global institutions and agreements. Minnesota Representative Michele Bachmann, leader of the House’s Tea Party caucus, calls the Group of 20 summit "one short step" away from "one world government," and suggests America withdraw from international economic organizations. "I don’t want the U.S. to be in a global economy where our economic future is bound to that of Zimbabwe," she says. And a higher proportion of Tea Partiers oppose free trade than does the American population in general. In a recent WSJ/NBC poll, 61 percent of respondents who characterized themselves as Tea Partiers thought trade was bad for America. Under normal times ideas like these wouldn’t gain much public traction. Why are they now? Because of the continuing effects of the Great Recession. History has shown that people threatened by losses of jobs, wages, homes and savings are easy prey for demagogues who turn those fears into anger directed at major institutions of a society, as well as individuals and minorities who become easy scapegoats -- immigrants, foreign traders, particular religious groups. Were it not for their ongoing economic stresses, Americans wouldn’t be receptive to abolishing the Federal Reserve and the IRS, or believe government and big business were conspiring against them, or turn nativist and isolationist. Business leaders should be standing up to the Tea Party. And they should be actively supporting policies to relieve the economic stresses that fuel it. Their silence in both regards is not only bad for business; it threatens the stability of our economic and political system.

Tea Party Bad – Foreign Policy & US Institutions 3/4

### Catering to special interests like the Tea Party causes extreme shifts in foreign policy; electorate doesn’t check the political process

Ackerman 10

(Bruce Ackerman, September 15, 2010, Foreign Policy, Staff Writer, The Radical Presidency, http://www.foreignpolicy.com/articles/2010/09/15/the\_radical\_presidency?page=0,2)

After America's century-long rise to world hegemony, the presidency is a vastly different institution than it was in the days of Theodore Roosevelt and Woodrow Wilson. The next few decades will be equally transformative, but in ways that will cause great difficulty for the sober formulation of U.S. foreign policy. A series of political, bureaucratic, and military developments threaten to make the presidency into a platform for charismatic extremism and abrupt swings in foreign policy. Barack Obama's centrism and constitutionalism may disguise their significance in the short term. But this should not lead the president to ignore the long-term dangers. He should use his time in office to support reforms that will ameliorate, if not cure, underlying pathologies **--** lest a Sarah Palin, or her mirror image on the left, someday come to power and use the presidency as an engine of destructive radicalism.Let's begin with the presidential primary system. Before 1972, when our current system was adopted, party chieftains steered the nomination to figures who would maximize their appeal to the political center. But the new rules shifted the balance in the direction of extremism -- away from the median voter in the general election, toward the median voter in the primary or caucus. With turnouts low, mobilizing the base is now often a recipe for winning the nomination. This tendency toward extremism is heightened by the increasingly polarized character of the voting public: The Democratic base is becoming strongly isolationist; the Republican, emphatically militarist. Successful nominees have little choice but to pander to their base during the primary campaign. Once they win the White House, they may move toward the internationalist center. But then again, they may not -- generating a foreign policy that gyrates from extreme to extreme with each electoral cycle. At this point, a second institutional development intervenes: Presidents now surround themselves with a White House staff of super-loyalists -- numbering more than 500 in recent years. This is a modern development. It was only in 1939 that Franklin D. Roosevelt won the right to name six "presidential assistants" to serve on his staff. Until then, the president governed through his cabinet, relying only on occasional advisors loaned to him by one or another department. Since FDR, the concentration of power in the White House has only accelerated. Although the president appoints his leading staffers unilaterally, his nominations to key positions in the State and Defense departments require confirmation by the Senate -- where they are notoriously subject to sometimes-infinite delay by a single senator. Between 1979 and 2003, Senate-confirmed positions were, on average, vacant 25 percent of the time. As the Senate finally fills empty jobs, others open up, continually undermining the team effort required for the smooth operation of cabinet departments. In contrast, the president can easily replace burned-out White House staffers with new cadres of ambitious up-and-comers. Although new recruits will be closely vetted for political loyalty, they may not take seriously the advice of long-time government experts who don't have easy access to the West Wing. This is a recipe for policymaking that is strong on presidential "vision" at the expense of real-world experience or a sense of enduring national commitments. A third institutional transformation may counterbalance these shifting presidentialist enthusiasms, but at a very high price. As civilian policymakers come and go, the military leadership demonstrates greater staying power -- and it has been remarkably successful in colonizing positions previously reserved for civilians over the past generation. Before 1980, national security advisors were foreign-policy intellectuals like McGeorge Bundy, Walt Rostow, Henry Kissinger, and Zbigniew Brzezinski -- men who often eclipsed their secretaries of state during the presidencies of Lyndon Johnson, Richard Nixon, and Jimmy Carter. The only exception was retired Air Force Gen. Brent Scowcroft, who served as advisor to Gerald Ford while Henry Kissinger was dominating the field as secretary of state.

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Tea Party Bad – Foreign Policy & US Institutions 4/4

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Things changed under Ronald Reagan. After running through two undistinguished civilian advisors in three years, the president made a fateful turn to the military -- choosing Col. Robert "Bud" McFarlane, followed by Vice Adm. John Poindexter. Despite the Iran-Contra scandal, Reagan and his successor George H.W. Bush continued the new practice with the appointments of Colin Powell and a repeat performance by Scowcroft. Neither could provide the intellectual firepower of a Kissinger or Brzezinski, but they did well enough to blot out the disastrous precedents left by McFarlane and Poindexter, making the position ripe for further military colonization at later moments. When Barack Obama named the former commandant of the Marine Corps, James Jones, to serve as his national security advisor, nobody seriously questioned the propriety of his choice. This top National Security Council post is no longer a job that is specially reserved for a civilian. The military is gaining a foothold in other key positions. Consider the new directorship of national intelligence, charged with coordinating the entire surveillance effort. George W. Bush's first choice was a civilian, but he has been followed by three retired military men. The active-duty high command is also carving out a much more aggressive political role. During the first generation after World War II, the Joint Chiefs of Staff did not have the capacity to present a united front to its civilian bosses. It was a forum for intense inter-service rivalry, with each chief fiercely promoting his service's distinctive interests and weapon systems. But the Goldwater-Nichols Act of 1986 changed all that, transforming the chairman of the Joint Chiefs into a political actor who could speak for the military as a whole. Colin Powell quickly exploited this new opportunity. As chairman under George H.W. Bush, he took the unprecedented step of formulating his own Powell Doctrine on the use of military force -- and then backed it up by writing a *New York Times* [op-ed](http://www.nytimes.com/1992/10/08/opinion/why-generals-get-nervous.html?scp=2&sq=&st=nyt) during the 1992 campaign, lecturing Bill Clinton on his foreign-policy responsibilities. Subsequent chairmen have, in one way or another, followed Powell's example of operating as political spokesmen. In contrast, career State Department types play a diminishing role in White House deliberations. All this adds up to a fundamental imbalance. While civilian loyalists in the White House come and go, top military leaders have greater political influence, even after they leave active service. Although each president will bring his own enthusiasms (and enthusiasts) to the world stage, the larger policy establishment increasingly emphasizes the military over civilian aspects of the national interest. Sowhat's the big picture?Over the long haul, we can expect U.S. foreign policy to exhibit outbursts of extremism that swing in opposite directions but are sequentially taken up with partisan zeal by White House loyalists in a fashion that emphasizes the narrowly military aspects of the problem**.** Not a pretty picture, especially for a country in decline. If a rising superpower exhibits such erratic behavior, other nations may go along, fearing that open opposition will lead to even harsher sanctions**.** But when a superpower is in decline, its unreliability will spur rising powers to search for more reliable partners.Which leads to the obvious question: Can anything be done to fix the presidency's multiple pathologies before it is too late?I explore this question systematically in a recent book, but one thing is clear: America won't get anywhere without a far broader recognition of the severity of current pathologies. For example, the recent McChrystal affair -- in which Obama's Afghanistan field commander and staff made outrageous comments about civilian leaders -- should not be dismissed as a passing indiscretion by a naïve general, but as a symptom of dangerous changes in civilian-military relations. Understanding the depth and scope of the problem is the first step toward proposing long-term, structural solutions. The United States is very far from such a debate today -- and meanwhile the electoral clock keeps ticking. Who knows when an extremist will be speaking to the nation from the Oval Office?

## Tea Party Bad – Racism 1/3

### Past Actions from the Tea Party make it clear: its not just about politics and size of government, it is also about race.

Campo Flores ‘10

(Campo Flores, Arian April 26,2010; NewsWeek, “Are Tea Partiers Racist?” http://www.newsweek.com/2010/04/25/are-tea-partiers-racist.html)

Ever since the Tea Party phenomenon gathered steam last spring, it has been plagued by charges of racism. Placards at rallies have depicted President Barack Obama as a witch doctor, denounced his supposed plans for "white slavery," and likened Congress to a slave owner and the taxpayer to a "n----r." Opponents have seized on these examples as proof that Tea Partiers are angry white folks who can't abide having a black president. Supporters, on the other hand, claim that the hateful signs are the work of a small fringe and that they unfairly malign a movement that simply seeks to rein in big government. In the absence of empirical evidence to support either characterization, the debate has essentially deadlocked. Until now, that is. A new survey by the University of Washington Institute for the Study of Ethnicity, Race & Sexuality offers fresh insight into the racial attitudes of Tea Party sympathizers. "The data suggests that people who are Tea Party supporters have a higher probability"—25 percent, to be exact—"of being racially resentful than those who are not Tea Party supporters," says Christopher Parker, who directed the study. "The Tea Party is not just about politics and size of government. The data suggests it may also be about race.” Surveyers asked respondents in California and a half dozen battleground states (like Michigan and Ohio) a series of questions that political scientists typically use to measure racial hostility. On each one, Tea Party backers expressed more resentment than the rest of the population, even when controlling for partisanship and ideology. When read the statement that "if blacks would only try harder, they could be just as well off as whites," 73 percent of the movement's supporters agreed, while only 33 percent of people who disapproved of the Tea Party agreed. Asked if blacks should work their way up "without special favors," as the Irish, Italians, and other groups did, 88 percent of supporters agreed, compared to 56 percent of opponents. The study revealed that Tea Party enthusiasts were also more likely to have negative opinions of Latinos and immigrants. These results are bolstered by a recent New York Times/CBS News surveyfinding that white Tea Party supporters were more likely to believe that "the Obama administration favors blacks over whites" and that "too much has been made of the problems facing black people." The survey also showed that Tea Party sympathizers are whiter, older, wealthier, and more well-educated than the average American. They're "just as likely to be employed, and more likely to describe their economic situation as very or fairly good," according to a summary of the poll. If Tea Party supporters are doing relatively fine, what are they so riled up about? These studies suggest that, at least in part, it's race. The country that the Tea Partiers grew up in is irrevocably changing. Last month, new demographic data showed that minority births are on the verge of outpacing white births. By 2050, Hispanics are expected to account for more than a quarter of the American population. The Tea Partiers "feel a loss … like their status has been diminished," says David Bositis of the Joint Center for Political and Economic Studies, which examines issues of race. "If you listen to [their] language, it's always about 'taking our country back.' But it's really not taking the country back as is. It's taking the country back"—as in time. Bositis finds the movement's arguments about reckless federal spending unpersuasive. Why, he asks, weren't they up in arms when President George W. Bush launched two costly wars and created a new unfunded mandate with his Medicare prescription-drug plan? Why didn't they take to the streets when he converted a surplus into a massive deficit? "I don't like to be in a position where I'm characterizing people as being racially biased," says Bositis. "But when the shoe fits, what do you do?" Given modern societal norms, "they know they can't use any overtly racist language," he contends. "So they use coded language"—questioning the patriotism of the president or complaining about "socialist" schemes to redistribute wealth.

Tea Party Bad – Racism 2/3

### Tea Party promotes anti-Semitism and neo-Confederates

Burghart and Zenkind 10

(Burghart and Zenkind, Vice President and President of Institute for Research and Education on Human Rights, 2010 “Tea Party Nationalism,” “Tea Parties – Racism, Anti-Semitism, and the Militia Impulse” <http://www.teapartynationalism.com/the-reportbriall-of-tea-party-nationalismi/racism-anti-semitism-and-the-militia-impulse>)

Tea Party leaders have bristled at any mention of the racism, Christian nationalism and white supremacy that **is a part of their movement**. In several notable instances, people of color have been prominently put forward as speakers or entertainers at Tea Party rallies, as if to say: look, this is a racially diverse movement that wants to add more color to its ranks. Prominent among these few individuals has been Lloyd Marcus, previously mentioned in this report as a paid consultant of Tea Party Express. Nevertheless, Confederate battle flags, signs that read “America is a Christian nation,” and racist caricatures of President Obama have been an undeniable presence at Tea Party events in both local communities and in Washington, D.C. The venom (and spittle) directed at African-American Congressmen during the health care debate carried an unmistakably racist message. It is not the contention of this report that all Tea Partiers are consciously racist. The evidence presented, however, speaks for itself. Tea Party leaders have promoted and provided a platform to known racists and anti-Semites on multiple occasions. Dale Robertson, the chairman of the 1776 who displayed the infamous “n\*\*\*\*r sign,” for example, brought Martin “Red” Beckman on as a guest to the Tea Party Radio hour that he co-hosts with Washington state talk show host Dr. Laurie Roth. Beckman has been known for over twenty-five years for his anti-Semitic writings and his defense of militias. In 1994, Beckman was evicted from his property in Montana by the IRS for refusing to pay taxes. He now resides in southwestern Washington State.[[199]](http://www.teapartynationalism.com/the-reportbriall-of-tea-party-nationalismi/endnotes-101-200) In a separate incident, Robertson endorsed Pastor John Weaver on the 1776 Tea Party Meet Up website. According to Robertson, “John Weaver is a very knowledgeable Christian leader who presents scriptural basis for Constitutional Rights. The Church has not exercised these rights and consequently is in decline. The Constitution is founded on the principal of God and a moral people, without either then the Church and the people of this land will fall victim to an oppressive government.”[[203]](http://www.teapartynationalism.com/the-reportbriall-of-tea-party-nationalismi/endnotes-201-280) Robertson also used this Meetup site to advertise an August 29, 2009 “family retreat” with Pastor Weaver in Magnolia, Texas.[[204]](http://www.teapartynationalism.com/the-reportbriall-of-tea-party-nationalismi/endnotes-201-280) The site also indicates that Robertson attended that retreat. Weaver, of Fitzgerald, Georgia, has a sprawling set of connections to neo-Confederates and those preaching the so-called Christian Identity doctrine. He is the former Chaplain in Chief of the Sons of Confederate Veterans.[[205]](http://www.teapartynationalism.com/the-reportbriall-of-tea-party-nationalismi/endnotes-201-280) He has spoken at “Christian Identity” gatherings in Branson, Missouri in 1998 and 1999.[[206]](http://www.teapartynationalism.com/the-reportbriall-of-tea-party-nationalismi/endnotes-201-280) According to this particular theology, Jews are considered a satanic force (or the incarnation of Satan himself), and people of color are considered less than fully human. By contrast, the white people of northern Europe are considered racial descendants of the Biblical tribes of Israel, and the United States of America is considered their “promised land;” a theory descended from a theology known as British-Israelism. Although Weaver describes his particular outlook as a variant of “Dominionism,” his essay, “The Sovereignty of God and Civil Government” was listed in a book catalogue published by the British-Israel World Federation. As such, this would place Weaver just one step to the right of the most radical forms of Christian fundamentalism.[[207]](http://www.teapartynationalism.com/the-reportbriall-of-tea-party-nationalismi/endnotes-201-280) The list of out-front anti-Semites on Tea Party platforms includes an event in July 2009. One thousand people gathered in Upper Senate Park for a rally in D.C. A full line-up of speakers included representatives from several tax reform groups, FreedomWorks, and talk show hosts. Also on the platform that day was the band Poker Face, playing music, providing technical back up, and receiving nothing but plaudits from the crowd.[[208]](http://www.teapartynationalism.com/the-reportbriall-of-tea-party-nationalismi/endnotes-201-280) The band, from Lehigh Valley, Pennsylvania, already had a reputation for anti-Semitism. Lead singer Paul Topete was on the public record calling the Holocaust a hoax, and writing and performing for American Free Press--a periodical published by Willis Carto, the godfather of Holocaust denial in the United States. According to Topete, “The Rothschilds set up the Illuminati in 1776 to subvert the Christian basis of civilization.”[[209]](http://www.teapartynationalism.com/the-reportbriall-of-tea-party-nationalismi/endnotes-201-280) Because of their bigotry, the band had been kicked off venues at Rutgers University in 2006 and a Ron Paul campaign event in 2007.[[210]](http://www.teapartynationalism.com/the-reportbriall-of-tea-party-nationalismi/endnotes-201-280) But they made it to the stage of the Tea Party without any questions asked. More insidiously, it is common for rank and file activists to use anti-Semitic rhetoric in their web postings. For example, one Hutchinson, Kansas woman, using the name “salthawkmom,” recently wrote a message on a Tea Party website reading: “An international cult, called the Order of the Illuminati-Cabalistic bankers and Freemasons control WORLD finances, their goal is to degrade and enslave humanity.”[[211]](http://www.teapartynationalism.com/the-reportbriall-of-tea-party-nationalismi/endnotes-201-280) The “Illuminati - Cabalistic” language is widespread among followers of the John Birch Society and more radical Christian patriot-types active in Tea Parties in the Midwest and South. In another instance, in April 2009, the San Mateo, California Republican Party chairman was moved to comment on an anti-Semitic graphic used to advertise a Tea Party event, “we strongly condemn the use of anti-Semitic imagery in the promotion of a recent event.”[[212]](http://www.teapartynationalism.com/the-reportbriall-of-tea-party-nationalismi/endnotes-201-280)

Tea Party Bad – Racism 3/3

### Tea Party “reservoir” for White nationalists

Burghart and Zenkind 10

(Burghart and Zenkind, Vice President and President of Institute for Research and Education on Human Rights, 2010 “Tea Party Nationalism,” “Tea Parties – Racism, Anti-Semitism, and the Militia Impulse” http://www.teapartynationalism.com/the-reportbriall-of-tea-party-nationalismi/racism-anti-semitism-and-the-militia-impulse)

Soon after the first set of April 15, 2009 events, Tea Party protests attracted members of white nationalist organizations and networks. As a movement, white nationalism has projected two slightly different visions of white supremacy. One goal is a United States of America in which white and black and other people of color are all resident, but white domination is complete and un-complicated by civil rights laws and voting rights for people of color. An alternative white nationalist vision is a whites-only republic carved out of the remains of a collapsed and dissected United States of America. Hard core white nationalists use terms such as “racial realist” and “self-conscious whites” to distinguish themselves from the majority of white people in this country, including those that simply exhibit racist or prejudiced opinions. In preparation for Tea Party protests held on July 4, 2009, national socialists and other white supremacists created a discussion thread on Stormfront.org, the largest and most widely accessed of the many white nationalist websites. While highlighting the distinction between themselves and the majority of Tea Partiers who were not self-conscious about their own racism, one person argued, “We need a relevant transitional envelop-pushing flyer for the masses. Take these Tea Party Americans by the hand and help them go from crawling to standing independently and then walking towards racialism.” Some of the posts in this thread had an almost cartoonish aspect, with elaborately construed pseudonyms and accompanying graphics--a number of which included pictures of William Pierce, the now deceased founder of the National Alliance best known as author of The Turner Diaries, a race war novel. Nevertheless, the Stormfront discussion board aimed at a highly conscious intervention. One group decided against wearing any gear with swastikas or other symbols of their actual core ideologies. They would carry Confederate battle flags and other more generic symbols of white protest. And they planned to hand out a leaflet with a relatively muted political message. Others had slightly different ideas. Several people said they would bring a variety of pieces of propaganda, with the intensity of racism apparent on a sliding scale. They would gauge the individual Tea Partier that they were talking with and hand them customized material accordingly. In contradistinction, another messenger argued that there was no need to hide their core politics. “I distributed WN [white nationalist] literature at the last Tea Party in Phoenix,” they wrote. “I will be doing it again in July. This is the time and place. For those on a budget, I would suggest printing business cards with the web address of your group or organization. Keep it simple.” In this Stormfront discussion, a segment of white nationalists usually associated with the most outrageous neo-Nazi behavior acknowledged a shift towards a set of tactics more commonly employed by the Council of Conservatives Citizens (CofCC). The Council of Conservative Citizens, headquartered in St. Louis, with its strongest chapters in the South and Mid-South, is the largest white nationalist organization in the country and the group most active in the Tea Parties. A direct lineal descendant of the white Citizens Councils that fought to defend Jim Crow segregation during the 1950s and 1960s, the Council of Conservative Citizens promotes the idea that the United States is or should be a white Christian nation; and that Barack Obama and black people generally oppress white people. The Council does not itself advance the same kind of bald anti-Semitic conspiracy theories that motivate national socialists like those at Stormfront.org, although there are hard-core anti-Semites throughout its ranks and leadership. In a sign that the Council’s low key intervention in the Tea Parties was holding sway within the white nationalist universe, one Stormfronter wrote, “I think the CofCC approach of representing whites without being able to be portrayed as racist boot wearing Nazis is the best approach. As a non-CofCC member, I believe they have one of the most effective approaches.” Through its periodical tabloid, Citizens Informer, and its website, [www.cofcc.org](http://www.cofcc.org/), the Council of Conservative Citizens both led and promoted Tea Party protests. In Mississippi, the organization advertised a “Mississippi Tea Party” at Flowood City Hall on March 9, 2010; a “Mississippi for Liberty March” at the state capitol on April 17; and the Upper East Mississippi chapter sponsored a Halloween Tea Party at the Tippah County Courthouse, in Ripley on October 31, 2009. In Florida, the Florida West Coast chapter distributed three boxes of tabloids as well as an unknown number of membership applications at a Sept. 12, 2009 Tea Party in Crystal River attended by about 1,500. Congresswoman Ginny Brown-Waite (R-FL) spoke at that event. At a Citrus County Tea Party attended by 4,500 people on January 16, 2010, the same chapter “worked [the] crowd,” and passed out two boxes of its tabloid and 250 Council business cards.[[220]](http://www.teapartynationalism.com/the-reportbriall-of-tea-party-nationalismi/endnotes-201-280) Despite these and other similar actions, the Council of Conservative Citizens remained ambivalent about the Tea Parties ultimate goals. On the positive side, one of the organization’s leaders wrote, “the fact that hundreds of thousands of white people got up the nerve to oppose the government [was] astonishing.” On the other hand, he noted, the “negative tendency that plagues Tea Party activism...to deny the racial dynamic empowering the movement.” He concluded that, “The future of this revolution, if that is what it is, depends on white zealots.”[[221]](http://www.teapartynationalism.com/the-reportbriall-of-tea-party-nationalismi/endnotes-201-280) Little talk of taxes and budget deficits intruded into this analysis. Duke’s announcement that he will use a year-long speaking tour to gauge potential support for another campaign in the Republican presidential primaries (in 2012) should not be understood as anything more than a declaration of his perennial search for contributions from new followers. He is quite unlikely to repeat anything near the successes he has had in the past, when he won a majority of white voters in two statewide Louisiana elections. It is, however, one more sign that hard-core white nationalists regard the Tea Party movement as a reservoir of racists, and as potential supporters of a more ideologically defined white nationalism. The actions of the Council of Conservative Citizens, the Stormfront.org posters and other white nationalists need be understood, in aggregate, as one measure, among many, of the Tea party movement’s political characteristics. Together they point to a truth many Tea Party leaders will not want to acknowledge.

## Budget Cuts Bad – IRS

### Limitations on IRS actually harm revenue collection; need to streamline the tax code

Becker 11

(Bernie Becker, March 31, 2011, The Hill, Staff Writer, Shutdown would be tricky for IRS, commissioner says, http://thehill.com/blogs/on-the-money/domestic-taxes/153055-irs-commissioner-government-shutdown-during-tax-season-would-be-new-ground)

The head of the IRS said Thursday that a government shutdown during tax season would be a challenge the agency has never confronted before — and one that would become more complicated as the April filing deadline draws closer. Doug Shulman, the IRS commissioner, also signaled at a House Ways and Means subcommittee hearing that his agency was discussing how to address a potential shutdown with the Obama administration, though he did not spell out any details of those talks. “We run a $13 billion financial services operation, so the idea of stopping it for a few days or a few weeks is strange,” Shulman said, adding that he was hopeful, based on ongoing negotiations, that a shutdown could be averted. “Our old plan was: We deposited checks, we didn’t process returns. That was a plan that was built in ’95 when there wasn’t so much electronic filing, and now we’re closely looking at it,” he added. The deadline to file taxes this year is April 18, and the federal government is currently funded through April 8. The government shutdowns during the Clinton administration occurred in fall and winter months. During his time before the Ways and Means oversight subpanel, Shulman waded even deeper into the discussion of the federal budget, declaring that cuts the House passed for this fiscal year would have “potentially devastating effects” on the agency and defending the increased funding for the agency requested in President Obama’s fiscal 2012 budget. Shulman indicated the budget increase for 2012 would more than pay for itself, in part because of a modernizations that would lead to faster processing of tax forms. As for this year’s funding levels, the House cuts, approved in February, would reduce the IRS budget by roughly $600 million from fiscal 2010 enacted levels — which Shulman said would result in the loss of $4 billion worth of tax revenue, due to decreased collection. The IRS budget for fiscal 2010 was more than $12 billion. Under questioning from Rep. Xavier Becerra (D-Calif.), Shulman added that enforcement would probably take the biggest hit under the cuts, but that services throughout the agency would take a hit. “Those are just big, big cuts that would have to be jammed into a six-month window. So we'd have to have across-the-board cuts," the commissioner said, raising the specter of having to furlough employees for long stretches. Shulman also indicated that he wanted Congress to hammer out funding levels for the rest of the fiscal year, signaling that dealing with a series of short-term spending measures for this fiscal year had placed added stress on the agency. He also called the current tax code too complex, reiterating that he traditionally uses a paid preparer to file his taxes. Lawmakers on both sides of the aisle have called for tax reform. Top tax writers in both the House and the Senate have signaled their interest in the issue, as has the Obama administration. “The vast majority of my employees’ time and resources is spent trying to serve the American people and help them wade through tax complexity,” Shulman said, adding: “Anything you can do to simplify the code certainly helps our agency.

## Deficit Spending Bad 1/4

### Adding to the annual budget deficit by deficit spending will raise it to the point at which there will be no longer be enough money in the world to pay it off and will lead to a nonfunctional government

BG 11

(Hynes, Patrick. "It’s Not a Debt Ceiling, It’s a Debt Wall." BG 28 Jun 2011 <http://biggovernment.com/phynes/2011/06/28/its-not-a-debt-ceiling-its-a-debt-wall/>)

Marc Nuttle – lawyer, businessman, and consultant to leaders in a dozen different countries – makes an interesting point about government debt. While Washington is atwitter over the pending vote to raise the debt ceiling, Nuttle says the real issue is the debt wall. He defines the Debt Wall as that point at which there isn’t enough loose money in the world to fund the deficits of the 185 nations currently running in the red. The U.S. of course is the biggest offender with a current deficit in excess of $1.6 Trillion and a total debt around $14 Trillion. Typically, a person’s solvency is measured by looking at their debt to equity ratio. For countries, it is the debt to Gross Domestic Product (GDP). The preferred maximum is 70% to 80%. Greece is now at 125%. The U.S. is at 100%. Based upon world liquidity, the amount of money available to fund the annual deficits of the world’s governments, is about $9 trillion max. But projections for the total deficits actually accrued by nations this year is more like $10 trillion – and rising. To fund that additional debt, money will have to be taken out of other markets and investments. Attracting that money will require huge interest rate increases. Today our government pays about 1%. Once we hit Nuttle’s Debt Wall, the government will have to pay 6%, or 7% or even more. Greece is now offering its bonds at 30% and not finding many takers. Businesses won’t be able to survive due to huge interest rate increases. Jobs will be lost as those businesses fail. Even more families will lose their homes as unemployment skyrockets. Retirement savings will be ruined as the markets fall off. And, of course, pleading a catastrophic fall off in revenues, liberals in Washington will attempt to tax everything that moves and many things that don’t. In Marc Nuttle’s words, “it’s an economic death spiral that will damage our families, our communities our way of life.” This is not a political issue about whether we want the federal government to provide schools, libraries, welfare, healthcare or defense. This is an economic issue that left unattended will result in an already dysfunctional government being unable to provide any services at all.

Deficit Spending Bad 2/4

### Adding the US debt by additional spending will lead the US to default on its commitments faster, drastically reducing foreign investment

The Economist 11

(“America’s debt ceiling: the mother of all tail risks” The Economist 23 Jun 2011 <http://www.economist.com/node/18866851?story\_id=18866851>)

If a deal cannot be reached before August 2nd the Treasury says it will be forced to default. It has not specified on what: it could choose to stop paying pensioners and soldiers before it stopped paying interest on its debt. But outright default cannot be entirely ruled out. What happens if the world’s most trustworthy borrower reneges on its debt? The possibility has not gone unnoticed. Trading in credit-default swaps (CDSs) on Treasury securities has picked up and the price of protection against default, as measured by the CDS spread, has risen (see chart). One-year protection is now almost as expensive as five-year protection. This is more often seen in distressed markets where investors are pricing in an imminent default than with otherwise healthy borrowers with long-term problems. The illiquidity of the CDS market means it can be prone to misinterpretation. The vast Treasury market itself—for Treasury bills, Treasury bonds and other government securities—remains largely free of anxiety. America’s biggest interest payments occur on the 15th of August, November, February and May. Priya Misra, head of US rates strategy at Bank of America Merrill Lynch, says anyone who thinks America might default for several weeks this summer should sell a bond with interest due on August 15th and buy one with interest due on November 15th, which would result in the price of the first bond falling relative to the second. But, she says, neither market pricing nor the chatter of clients shows such a trend. There is a profound muddle about what a default would entail. Firms usually get a few weeks’ grace to make a payment. Sovereigns typically do not so default would probably be declared the day the Treasury missed a payment. Some market participants argue such a default would be quickly “cured” and be therefore merely technical. Yet history suggests that even a technical default can be costly. America’s only known instance of outright default (other than refusing to repay debts in gold in 1933) occurred in 1979 when the Treasury failed to redeem $122m of Treasury bills on time. It blamed unprecedentedly high interest from small investors, a delay in raising the debt ceiling and a word-processing-equipment failure. Although it repaid the money and a penalty to boot, a later study by Terry Zivney, now of Ball State University, and Richard Marcus of the University of Wisconsin-Milwaukee found it caused a 60-basis-point interest-rate premium on some federal debt. Today that would cost $86 billion a year or 0.6% of GDP, a hefty penalty for something so avoidable. A default now would attract more attention, affect more debtholders and reach more deeply into the financial system. More than half of Treasury debt is held abroad, principally by foreign central banks. Such investors would be unlikely to sell overnight since they have few ready alternatives. But they would be reluctant to hold as much in the future; some, like China, are already diversifying their reserves. After Fannie Mae and Freddie Mac, two giant mortgage-financing agencies, had to be rescued by the federal government in 2008, foreigners cut their holdings of these securities and have yet to raise them again even though the firms never defaulted. Domestic banks would not have to classify their sizeable holdings of Treasuries as non-performing if they thought the default short-lived. But they would suffer nonetheless. Currently Treasuries represent roughly 30% of the collateral that financial institutions such as investment banks use to borrow in the $4 trillion repurchase (“repo”) market. They represent another 4-5% of the $1 trillion in collateral used in the derivatives market. A default could trigger demands by lenders like money-market funds for more or different collateral. Matthew Zames of JPMorgan Chase, writing on behalf of the securities industry in April, gave warning that this could “lead to deleveraging and a sharp drop in lending”. Money-market funds themselves hold another $338 billion of Treasuries. In the event of a default at least one would probably “break the buck” (ie, fail to give the principal back to investors), threatening “a broader run on money funds”, Mr Zames said. No one can be sure of any of this. Money-market funds, like banks, might argue their holdings are sound if the default is brief. A suspension of new sales of bonds could constrict supply of Treasuries, pushing yields down instead of up. On the other hand America responded to the crisis of 2008 by standing behind the obligations of banks, money-market funds, and Fannie and Freddie. It could hardly do the same for a crisis caused by an inability to stand behind its own debts. Even if Congress were to tackle turmoil by quickly lifting the debt ceiling, the stain would linger. “In the past our assumption was interest would always be paid on time,” says Steven Hess of Moody’s, a ratings agency which has cautioned that even a brief default would cost America its coveted Aaa status. “If an actual payment were missed once, might that happen again? If you thought it could, that is clearly not compatible with Aaa.” Such warnings are having an effect. On June 19th Mitch McConnell, the Republicans’ leader in the Senate, opened the way to a short-term increase in the debt ceiling, even though his counterparts in the House demurred. They may not show it but Republicans, like Democrats, are scared of default, too.

Deficit Spending Bad 3/4

### **Foreign investment raises the US’ GDP**

Library of Economics and Liberty 93

(Mack Ott, "Foreign Investment in the United States." The Concise Encyclopedia of Economics. 1993. Library of Economics and Liberty. 30 June 2011. <http://www.econlib.org/library/Enc1/ForeignInvestmentintheUnitedStates.html>)

The United States attracts capital not only because of lower taxes, but also because of greater U.S. consumer wealth and labor productivity. At purchasing power parity—GDP adjusted for differences in exchange rates and prices—U.S. wealth (per capita GDP) was one-fourth greater than Japan's in 1990 and one-third greater than Germany's. Moreover, except for Japan the other main industrial countries did not narrow this margin between 1980 and 1990. On a production-per-employee basis, the message is the same: U.S. labor is the most productive in the world. Is Foreign Investment Good or Bad? Foreign investment increases the amount of capital—equipment, buildings, land, patents, copyrights, trademarks, and goodwill—in the host economy. The increase in the quantity and quality of tools for labor's use in converting one set of goods (labor and other inputs) into another (finished output) raises labor productivity and GDP. Because about two-thirds of GDP goes to labor as wages, salaries, and fringe benefits, rising output means higher wages or more employment. Thus, foreign investment raises labor productivity, income, and employment. Workers are better off with more capital than with less and are usually indifferent to the nationality of the investor. Politicians generally overlook labor's benign attitude toward foreign capital, sometimes at their peril. In the 1988 presidential campaign the Democratic candidate, Michael Dukakis, told a group of workers at a St. Louis automotive parts plant: "Maybe the Republican ticket wants our children to work for foreign owners... but that's not the kind of a future Lloyd Bentsen and I and Dick Gephardt and you want for America." Dukakis's advance staff failed to tell him that the workers Dukakis was addressing had been employed by an Italian corporation for eleven years.

Deficit Spending Bad 4/4

### Rising debt will lead to increased threat from China and elsewhere

CSM 11

[Travis Sharp, “As debt grows, so does US exposure to attack,” CSM, April 14, 2011 , http://www.csmonitor.com/Commentary/Opinion/2011/0414/As-debt-grows-so-does-US-exposure-to-attack]

On Wednesday, President Obama grabbed onto one of the most highly charged issues in American politics: deficit reduction. The president’s speech offered a sensible way forward, even if his proposal was light on specifics. Now that the cameras are off, however, the real political challenges begin. Whether pursued through changes to tax rates, Medicare, or military spending, deficit reduction presents limitless ways for politicians to lose their jobs. And yet the American people demand that their elected leaders accept these risks, and are right to make such demands, because they sense what many experts now know: Growing federal debt threatens the long-term national security of the United States. “The single-biggest threat to our national security is our debt,” Admiral Michael Mullen, chairman of the Joint Chiefs of Staff, said last year. It was a powerful acknowledgment from the high-spending Pentagon. Over the last two years, US federal debt increased from $6.9 trillion to $9.7 trillion. In 10 years, it is projected to reach $18 trillion, equaling 77 percent of GDP, the largest debt-to-GDP ratio since 1950, when the US was still recovering from World War II-related costs. At that point, federal spending on net interest related to the debt will surpass spending on the US military. Since US economic prowess has long fueled US global influence and military power, Americans must understand the threats this situation presents. First, long-term federal debt could gradually crowd out investments in the US military, which protects American interests and promotes international stability and peace. A similar situation developed in Britain at the turn of the 20th century, when British leaders’ focus on national efficiency and other peripheral issues distracted them from making the changes required to improve economic performance, bolster military capability, and prepare the nation for an uncertain future. While Britain had the United States to help bail it out during World War I, no such savior exists for the United States today. Second, increased federal debt could leave the US more vulnerable to economic coercion. Such coercion could take the form of another nation withholding valuable natural resources or militarily sensitive goods during a conflict over repayment, cutting back purposefully on its holdings of US dollars to inflict economic damage, or interfering directly or indirectly in US attempts to finance its debt. Chinese leaders have publicly discussed such a strategy, a worrisome development considering that China owns a sizable and growing portion of US debt. Last year, Chinese Major General Luo Yuan told state-run media that in response to American arms sales to Taiwan, China could attack the United States “by oblique means and stealthy feints,” including “using economic means, such as dumping some US government bonds.” In 2009, the Pentagon conducted a war game to explore this scenario. According to reports, China emerged victorious after using financial weapons such as stocks, bonds, currencies, and gold reserves to damage the United States. While such a strategy also would hurt China because of our nations’ economic codependence, one cannot rule it out during a crisis. Third, the cost of servicing US debt could harm the long-term health of the US economy and erode America’s global stature and soft power. Washington would become less able to exert influence in multilateral fora, less able to borrow at affordable rates, less able to head off financial crises, and less able to convince rising powers of the comparative merits of market-based capitalism. Shorn of its international influence, the United States would find itself struggling to guarantee the security of its citizens and allies. The US serves as the linchpin of an interconnected alliance system of more than 60 nations that has gradually provided more prosperity, freedom, and security to people all over the world. Bolstering our preeminent position in this system depends on relieving federal indebtedness, which poses a real and growing threat to the economic foundations of American power. Our leaders must keep these higher stakes, not the political risks that are superficial in comparison, firmly in mind as they work on a deficit-reduction compromise that will put the United States on a more sound fiscal footing.

## A2: Debt Ceiling Freeze

### **The debt ceiling will be raised – the GOP is just posturing**

Yakabuski 11

[KONRAD YAKABUSKI, “Threat of U.S. credit downgrade a rebuke to political posturing,” theglobeandmail.com, April 19th, 2011, http://news.maars.net/blog/2011/04/19/threat-of-u-s-credit-downgrade-a-rebuke-to-political-posturing/]

While no one is suggesting the United States risks a Greece-like debt crisis any time soon, the country's continued failure to address its budgetary problems could undermine investor faith in its creditworthiness just as it struggles to emerge definitively from the worst economic downturn in decades. Instead of feeling chastened by the S&P report, however, each party sought advantage in it. Republicans claimed it buttressed their demands that a deal on raising the federal debt ceiling include deeper spending cuts in the 2012 budget. The current $14.3-trillion limit on Treasury borrowing will be reached by mid-May. Democrats countered that the report underscored the need for a "clean vote" on the debt ceiling, with no strings attached, so as to reassure investors that they can continue to buy U.S. Treasuries without fear of a default. "We cannot play chicken with the full faith and credit of the United States government," White House press secretary Jay Carney said. "Regardless of ...what [deficit reduction] agreements are reached along the way and in what time frame, it is absolutely a fact that Congress will raise the debt ceiling, because not to do that would be a catastrophic folly." Indeed, a deal on raising the debt ceiling is a near certainty. But it will not come before politicians subject Americans and the world to an extravaganza of brinkmanship, just as they did leading up to the April 8 deadline for a deal on the 2011 budget. A "last minute" agreement averted a government shutdown.

### Debt ceiling will be raised

WSJ, 6/21

[“US Treasury Exec: Seeing Signals Debt Ceiling Will Be Raised,” Wall Street Journal, Jun 21, 2011, <http://online.wsj.com/article/BT-CO-20110621-709476.html>]

There are increasing signs that politicians will reach an agreement to raise the U.S. debt ceiling before the August deadline, a Treasury official said Tuesday. There will be "a certain amount of theater over the summer" as U.S. politicians debate the issue, Mary John Miller, Assistant Secretary for Financial Markets at the Department of the Treasury, said at a conference in London organized by Euromoney Conferences. "The signals we are getting from politicians indicate that they will raise the debt ceiling," she said, adding that political parties recognize the importance of getting U.S. debt under control.

# Aff

## Budget/Economy – No 1/2

### Current strategies to revive the budget haven’t been successful; little hope that we can avoid a Greek like meltdown unless changes are made

STELZER 2011

(IRWIN ,business adviser and director of economic policy studies at the Hudson Institute; Trillions spent yet we're compared with the Greeks The Sunday Times (London) June 26, lexis)

President Barack Obama spent the odd trillion on "shovelready" projects he said would drive the unemployment rate down to 8%. Federal Reserve Board chairman Ben Bernanke obligingly printed $600 billion with which to buy the president's IOUs, predicting that running the printing presses would get the economy growing at an annual rate of something like 3.5%, and that the low interest rates he was maintaining would revive the moribund housing market. The result of these policy moves is: ? A deficit hovering around 10% of GDP (almost in line with Greece); ? Cumulative US debt predicted by the Congressional Budget Office to hit 100% of GDP in 10 years if there are no big changes in policy; ? A Federal Reserve balance sheet bloated to almost $3 trillion - triple the level before the financial crisis began; ? An unemployment rate of 9.2%; ? An annual growth rate of 1.8%. Not much to show for all that spending and printing. Bernanke admits: "We don't have a precise read on why this slower pace of growth is persisting" and has lowered the Fed's forecast of economic growth for this year from the 3.3% it predicted two months ago to 2.9%, and from above 4% in 2012 to 3.7%. Economists at Citigroup think the Fed is too cheery, and expect growth this year to come in at 2.5% and to rise next year to only 2.8%, well below the Fed's 3.7%. The Lindsey Group, a consultancy, adds that the Fed's guess that the rate of unemployment will fall to 7.8%-8.2% in the final months of 2012 is even more likely to prove excessively optimistic. Obama hopes the Fed has it right, so he can go to the polls with unemployment falling, even if not to levels most people would consider acceptable. Despite the slowdown, Bernanke is sticking to his promise to end the $600 billion bond purchase programme, better known as QE2, at the end of this month. Anyone hoping that he will use this summer's meeting of central bankers in Jackson Hole, Wyoming, to announce the launch of QE3 is doomed to be disappointed. But the chairman has promised to continue other policies that will keep interest rates low, and for a long while, in the hope of stimulating the economy and, most especially, the housing sector. Meanwhile, the president is not quite as willing as the Fed to modify his policies. Bernanke might be ending QE2, but Obama remains wedded to the proposition that deficit spending will get the economy moving again. In last week's television broadcast announcing troop reductions in Afghanistan, he said he would use the savings - when prior wars ended these were called a "peace dividend" - for spending on infrastructure and on green energy projects. No mention of deficit reduction.Which means that the president is viscerally opposed to the spending cuts the Republicans are demanding if they are to make a deal to raise the debt ceiling and avoid what Treasury secretary Tim Geithner said will be a default. Republicans, in turn, are opposed to the tax increases the Democrats insist be part of any deal. As a theoretical matter, the Republicans are right: the rapidly accumulating government debt is due to the huge increases in spending during the Obama years. But as a political matter, their decision late last week to walk out of the negotiations because the Democrats won't take "revenue enhancements" off the table can be nothing more than a bluff. They must know they will have to concede some tax increases if the Democrats are to go along with their spending cuts. It is not often that this sort of partisan dispute over something as arcane as a ceiling on the national debt can attract the attention of both consumers and the business community. But this is such a time. The failure to solve what voters think is a threat to their children's prosperity and way of life has some two-out-of-three telling pollsters that America is on "the wrong road", an attitude that might sink the president if it persists into next year. Contributing to that attitude is the 9.2% unemployment rate, the mounting number of workers who have been out of a job for an extended period, and the continued fall in house prices and rise in foreclosures. Businessmen are no less nervous than consumers. The administration has made it clear that in any dispute with the unions, such as those now involving Boeing and Delta Airlines, businesses can expect the administration to put its weight behind the unions. Health secretary Kathleen Sebelius has announced that after September 22 there will be no more waivers from the application of Obamacare, meaning a huge rise in healthcare costs for many firms, including small firms that are counted on to hire us out of this recession. And the White House will not push for congressional approval of new trade agreements unless Congress votes billions for workers who might claim they were thrown out of work by increased imports. Then there is Greece - like the deficit ceiling, not a subject that ordinarily engages Americans' attention. Now it does, and not only because of fear that some American financial institutions, especially money market funds that provide foreign banks with liquidity, might be exposed to a Greek default. Americans, once confident that their economy could generate untold wealth, now find comparisons with Greece not only frightening but demeaning. For the next 17 months - until the November 2012 elections - the economy is in the hands of politicians. Businessmen will continue to hoard cash, using that part they want to invest to build facilities overseas. Consumers with jobs and up to date on their mortgage payments will continue to keep their credit cards holstered for fear that they might be next on the unemployment or foreclosure lists. Not a happy prospect, but one that can be reversed if politicians start to see they are at risk of a "turn the rascals out" purge. Or if the recent fall in petrol prices cheers consumers up, and continued low interest rates revive the housing sector.

## **Spending – Yes**

### The US government is spending irresponsibly

Mintz 11

[Steven Mintz 2011. Ethics Sage. “US Fiscally Irresponsible. US Ranked 28th of 34 Countries in Fiscal Responsibility.” <http://www.ethicssage.com/2011/03/us-fiscally-irresponsible.html>]

Is there really any shame in being ranked behind Italy, Slovenia, Brazil or Estonia in **The Comeback America Initiative’s ranking of fiscal responsibility?** The Initiative is a deficit watchdog group funded by billionaire **Pete Peterson.** It released its **Sovereign Fiscal Responsibility Index last week** that ranks the fiscal sustainability of countries around the world. The project, done with master’s students from Stanford University, measures how close governments are to a debt meltdown. The news for the U.S. isn’t good. Of the 34 sovereign countries studied, the U.S. ranked 28th. The analysis measured three facets of fiscal sustainability. Sovereign governments were ranked on the current level of debt as a percentage of gross domestic product, the number of years until a nation’s debt level is so high it would trigger a funding crisis and the transparency and enforcement connected with the budget process. For the U.S., the Initiative calculated the debt level now equals 62.4% of GDP; and given current budget and economic-growth trends, the U.S. will hit a debt ceiling in 16 years. (Unlike Washington’s legislated “debt ceiling,” the analysis defines the debt ceiling as the amount of future debt a country could theoretically issue before it is almost sure to have a crisis in which few investors want to hold the sovereign debt.) Should we be worried as Americans that we are so fiscally irresponsible and seemingly unable to make the hard decisions to resolve our fiscal crisis? After all, we’ve been down this road before. President Clinton managed to get us out of debt and even create a surplus before he left office. However, that was due mostly to the telecommunications boom of the 1990s -- before the bust of the early 2000s. Add to the mix a massive amount of business and financial fraud and you have a recipe for disaster, and we’ve paid the price for more than four years. The U.S. government acts like an alcoholic. We are addicted to spending and driving up the debt. We can’t seem to be able to stop, and things will get worse because of unsustainable high levels of unemployment and an increasingly poorly educated citizenry that will not be able to compete globally in the not too distant future. So what can we do to reverse this depressing trend? Like any alcoholic the first step is to admit to the problem. Unfortunately, too many in Congress and the government believe we’ll snap out of it because we’ve done so before. That’s unrealistic. There’s no logical reason to believe we will continue to be “The greatest nation on God’s green earth,” as radio commentator Michael Medved likes to say, unless we wake up and wise up.

### US government is overspending.

Casler 11

[Michael K. Casler 2011. Las Vagas Sun. “Government needs to quit overspending.”

<http://www.lasvegassun.com/news/2011/jun/05/government-needs-quit-overspending/>]

It is obvious that President Barack Obama favors a large and powerful federal government. Some Americans will agree with that view and others will not. If not for the debt and deficit spending, we’d just have the usual fight over philosophy, which would be fine. The president is proposing a budget that increases government spending without matching spending cuts elsewhere and that will cause more deficits and a higher debt. He says we will reduce both debt and deficits over time, but the details of how are sketchy at best. At another time, that might be acceptable, but not now. We can and should argue over what is cut. Republicans won’t consider tax increases, and they look to protect military spending and foreign aid but want to reform entitlements. Democrats want to increase taxes only on the “rich,” which they previously have defined as people making over $250,000, and won’t seriously consider entitlement reform. It’s time to bite the bullet. We have overspent and it must stop. Higher taxes and program cuts will be painful and unpopular and that’s why we are not getting a real budget plan from either side. We are past the time when we can accept these “easy” solutions proposed by both parties, and those among us who are honest know it.

## Budget out of control now

### Most recent CBO projections indicate economic disaster in next twenty five year if current policies continue

Dinan 2011

(Stephen, A do-nothing Congress could solve deficit woes, CBO says The Washington Times June 23, lexis)

Inside the latest long-term budget analysis from Congress' chief scorekeeper is a stunning bit of news: If Congress did nothing, the government's deficit problems would be mostly solved. The pain required to leave government on autopilot would be severe: Taxes would rise from about 15 percent of the economy to 23 percent by 2035 as the Bush tax cuts expire and the alternative minimum tax bites half of all taxpayers. Meanwhile, basic domestic spending would drop precipitously. But the Congressional Budget Office, in its latest long-term budget outlook, released Wednesday, said that do-nothing scenario would leave the government's ledger in primary balance by 2017. That contrasts with CBO's more anticipated alternate scenario, in which Medicare and Social Security spending continue apace, and Congress - following the same path it has taken in recent years - extends popular tax breaks past their expiration dates, while again delaying promised spending cuts. "Under CBO's alternative fiscal scenario, revenues would increase much more slowly than spending, and debt held by the public would balloon to nearly 190 percent of GDP by 2035," CBO said, adding that interest on the debt, which today accounts for about 1 percent of the economy, would reach a staggering 9 percent by 2035. "Such a path for federal borrowing would clearly be unsustainable." Congress has peppered the federal budget with spending and tax cuts it passes as temporary items, but which repeatedly get extended. That has led CBO to begin issuing two forecasts: one, called the "baseline," that follows the law as it's written, and the other "alternative fiscal scenario" that is more in line with what analysts think Congress would do if left unchecked. The reality is likely to be different from either scenario, but together they bracket the challenges facing lawmakers. Under the baseline scenario, revenue and spending would equalize later this decade, and the government would run a primary budget surplus - meaning all costs except interest on the debt - by the middle of the century. Under the more realistic alternate scenario, revenue never goes above 18 percent of gross domestic product while spending steadily rises to account for more than 30 percent of the economy by later this century. Lawmakers said the lesson of the report is that Congress won't be able to keep its promises to everyone. The figures were released as the government maxed out its borrowing ability, and Vice President Joseph R. Biden and congressional leaders are trying to hash out an agreement that would raise the debt ceiling while bandaging the broken budget. Republicans say the problem is overspending and want limits on future expenses. Democrats, meanwhile, say the government must get more revenue to be able to pay on its promises. In December, those two forces came together on a bill that temporarily extended the Bush-era income-tax cuts and also increased spending for unemployment benefits, though at the cost of deeper short-term deficits. Budget hawks said those kinds of deals are now untenable. "Many of our leaders have been hoping that if they avoid the difficult decisions for long enough, the problem will fix itself. Today's numbers once again disprove this theory," said Steve Bell, senior director of the economic policy project at the Bipartisan Policy Center. "Spending remains near its highest point as a percentage of the economy over the past 60 years, while revenues similarly remain near their lows. Clearly, this mix of fiscal policy is impossible to maintain." Yet both sides on Wednesday seemed to dig in. Republicans said CBO's numbers confirm their sense that the problem is on the spending side. "There has never been a more urgent time to stop spending money we don't have," said House Majority Leader Eric Cantor, Virginia Republican. Democratic senators, though, said they will push for more economic stimulus in the short term, including more infrastructure spending, in order to try to right the job market. Senate Majority Leader Harry Reid, Nevada Democrat, said he has asked for ideas from senators by Aug. 1, setting up a late-year push. "We're seeking policies to build roads and bridges and dams and water systems and sewer systems, to create clean-energy jobs, to provide tax incentives for businesses to hire new employees," he said. "They've been proven to create jobs in the past." Among the scarier parts of the Wednesday report is a warning from CBO that as bad as things look, they could be worse. That's because CBO said it can't precisely account for the grim economic effects of debt or any tax increases. But CBO said under the alternate scenario, real gross domestic product could be lower by as much as 18 percent in 2035.

## Current talks will not reach budget deficit reduction goals

### Budget negotiations won’t reach reduction goals; will create deficit problems later

Montgomery & Helderman 2011

(Lori & Rosalind S. Conrad says $2 trillion isn't enough The Washington Post June 22, lexis)

The debt-reduction package emerging in talks between the White House and congressional leaders would not "fundamentally change" the alarming rate of growth in the national debt, the chairman of the Senate Budget Committee said Tuesday. Sen. Kent Conrad (D-N.D.) said the goal of slicing more than $2 trillion from the federal budget by 2021 falls far short of the savings needed to stabilize borrowing, reenergize the economy and avert the threat of a debt crisis. "A $2 trillion package sounds big, but I think most serious observers would tell you that it takes a package of at least $4 trillion to fundamentally change the trajectory we're on," Conrad told reporters. "In the context of our debt, which is nearly $15 trillion and is headed for $25 trillion, $2 trillion over 10 years does not do the job." Bipartisan negotiators led by Vice President Biden are rushing to draft a debt-reduction package to persuade reluctant lawmakers to raise the legal limit on government borrowing, now set at $14.3 trillion. Without additional borrowing authority, the government could default on its obligations starting Aug. 2. The White House and congressional leaders hope to raise the limit by just over $2 trillion to pay the bills through the end of next year. Conrad said he would agree to raise the debt limit for no longer than six months without a more serious effort to reduce future borrowing. And he told reporters that he is recruiting like-minded senators to "send a very clear message that some of us are not going to vote for a long-term extension of the debt limit unless there is a credible plan" to reduce borrowing. Conrad has long been a leader on **budget** issues and a determined champion of debt reduction. Last year, he organized a protest of more than a dozen senators that held up the last major increase in the debt limit until President Obama agreed to appoint a fiscal commission to develop a plan to stabilize the debt. That commission produced a plan that would limit borrowing to a little over $5 trillion over the next decade. The framework under consideration in the Biden talks is likely to require more than $7 trillion in additional borrowing. Conrad and five other senators, from both parties, had been trying to advance the fiscal commission's plan, but that effort stalled after Sen. Tom Coburn (R-Okla.) left the group, saying its members were unable to agree on sharp cuts to benefits for retirees. The remaining members are trying to decide whether to press their case despite opposition from leaders in both parties. So far, few have been willing to support Conrad's stance. Even some like-minded lawmakers say negotiating $4 trillion in savings is virtually impossible before the Aug. 2 deadline. "I think it's too big of a lift," said House Minority Whip Steny H. Hoyer (D-Md.). "I believe we need a comprehensive approach to this. But in the present time frame, that's not possible." Hoyer said that "the majority of members of Congress understand that the debt-limit package will not end the necessity to act to confront the nation's fiscal crisis." But Conrad argued that all incentive will be lost once the debt ceiling is raised. "If they reach an agreement and that passes and the debt limit then does not have to be dealt with until after next year's election, there will be very little appetite here to come back and do what really has to be done to get our financial house in order," he said. Conrad suggested raising the debt limit for a shorter period to give policymakers more time to tackle far-reaching overhauls of the tax code, as well as Social Security and Medicare, the biggest drivers of future debt. But Senate Majority Leader Harry M. Reid (D-Nev.) and House Majority Leader Eric Cantor (R-Va.) both rejected that idea Tuesday. House Republican leaders say it would be extraordinarily difficult to persuade their skeptical troops to vote more than once for a debt-limit increase. And, Cantor said, the job of reducing the debt wouldn't get any easier after a delay. "I don't see how multiple votes on a debt-ceiling increase can help get us to where we want to go," Cantor told reporters. "We want big reforms. We want big spending cuts and big changes to how this town works. . . . If we can't make the tough decisions now, why would we be making those tough decisions later?"

# Misc

## Link Uniqueness: PDS Spending – No

### No government spending on PDS Now

National Academies, 09

[National Academies-Significant Advisers on Science, Engineering, and Medicine. “Near-Earth Object Surveys and Hazard Mitigation Strategies: Interim Report” <http://www.nap.edu/openbook.php>?record\_id=12738&page=1”]

Currently, the U.S. government spends a relatively small amount of money funding a search and survey program to discover and track near-Earth objects, andvirtually no money on studying methods of mitigating the hazards posed by such objects. 3 Although Congress has mandated that NASA conduct this survey program and has established goals for the program, neither Congress nor the administration has sought to fund it with new appropriations. As a result, NASA has supported this activity by taking funds from other programs, while still leaving a substantial gap between the goals established by Congress and the funds needed to achieve them.By the 1990s, available research indicated that the impact of a 1.5- to 2-kilometer-diameter asteroid or comet anywhere on Earth had the potential to produce global effects that would seriously impact human civilization (e.g., a significant reduction in the total food yield, perhaps for several years). Because there were substantial uncertainties in the threshold impactor size needed to produce global effects, a team of NEO experts selected 1-kilometer-diameter objects as the threshold for the most dangerous objects to human civilization. The uncertainties in the damaging effects of asteroids increase as the size of the asteroid increases. A 1-kilometer-diameter asteroid is generally accepted as the lower boundary for an impactor 3 The threat posed by long-period comets is not part of the U.S. government effort. Mitigating the threat posed by such comets would be difficult due to the short warning times available for objects in such highly elliptical orbits; these objects are not often visible from Earth until a few months or so before reaching the vicinity of Earth’s orbit.

## Tax cuts for the rich unproductive

### Arguments for tax cuts for the rich are incorrect; the rich keep their money and don’t redistribute that

Mann 2011

(Simon, How low can taxes go?; AMERICA'S DIVIDE - 'A tax system emaciated by political opportunism has left the US with tax rates so low as to undermine the work of government' The Age (Melbourne, Australia) June 18, lexis)

Afflicted by status envy, by fears of losing what they have earned or inherited, the "super-rich" are prone to self-doubt, to insecurity, to worrying about their children - just like the rest of us. And in the US, whose wealth exceeds in multiples that of its nearest economic rivals, exist 1140 billionaires and 5.56 million millionaire households; that is, households with more than $US1 million ($A948,000) in assets, excluding real estate and retirement savings. That's a hell of a lot of insecurity. "Sometimes I think that the only people in this country who worry more about money than the poor are the very wealthy," says Robert Kenny, psychologist and joint architect of a survey of America's rich conducted by Boston College. "They worry about losing it, they worry about how it's invested, they worry about the effect it's going to have. And as the zeroes increase, the dilemmas get bigger." The college's Centre on Wealth and Philanthropy recently sought the views of millionaire philanthropists, probing their deepest fears and their wildest aspirations. They drew responses from 165 people, 120 of whom have assets of at least $US25 million. The average net worth of the respondents was $US78 million. The centre plans to release the results over coming months, but recently lifted the lid on its questionnaire to give The Atlantic magazine a glimpse into the minds of the super-rich, what the researchers cited as "an extraordinary sample of confession, memoir and apologia". "Taken together, the survey responses make a compelling case that being fantastically wealthy . . . is not a great deal more fulfilling than being merely prosperous," the magazine concluded. Additionally, it noted: "[They] turn out to be a generally dissatisfied lot, whose money has contributed to deep anxieties involving love, work and family. Indeed, they are frequently dissatisfied even with their sizeable fortunes . . . [One] heir to an enormous fortune . . . reports that he wouldn't feel financially secure until he had $1 billion in the bank." Despite such anxiety, recent evidence suggests that the super-rich are odds-on to keep their fortunes: wealth in America is becoming ever more entrenched and the rich really are getting richer, while the poor get poorer and the middle class work their butts off and borrow more just to tread water. A taxation system emaciated by political opportunism has left the US with tax rates so low as to undermine the work of government, strangling revenue and magnifying inequality. Among the mass of data that bears testimony to America's withering notion of opportunity and prosperity for all, is a simple comparison that illustrates how the shift has benefited the rich at the expense of ordinary citizens. Each year, the Internal Revenue Service (America's tax office) constructs figures for the top 400 income earners in the country. In 2008, when the "great recession" was biting hardest, the top 400 earned on average $US270.5 million each - 20 times what they made in 1955 (which was $US13.3 million, in 2008 dollars). The mind-blowing reality beyond that growth is that the 400 highest-earning Americans in 1955, after exploiting all possible deductions, paid 51.2 per cent of their total earnings in federal income tax. Fifty years later, in 2008, the top 400 paid just 18.1 per cent in tax. So pronounced is the disparity that the top 1 per cent of American taxpayers now take almost a quarter of all income - double their share of 25 years ago. And they control about 40 per cent of America's wealth, compared with 33 per cent back then. "One response might be to celebrate the ingenuity and drive that brought good fortune to these people, and to contend that a rising tide lifts all boats," wrote Nobel laureate Joseph Stiglitz for Vanity Fair. "That response would be misguided. "While the top 1 per cent have seen their incomes rise 18 per cent over the past decade, those in the middle have actually seen their incomes fall . . . All the growth in recent decades - and more - has gone to those at the top." It's easy to plot the path to this phenomenal prosperity - and to its flip side, or sorry consequence. Back in the days of postwar president Dwight Eisenhower, America's top income tax bracket hovered around 90 per cent. It was eased to 70 per cent in the mid-1960s and remained there until the election of Ronald Reagan signalled the advent of "Reaganomics" and the notion that cutting taxes would ignite private enterprise, boosting investment and driving output that, in turn, would deliver jobs and wealth to all. The top marginal tax rate was slashed to 50 per cent, then to 28 per cent. Reagan's successors - George Bush snr and Bill Clinton - pushed the rates back up, citing fiscal necessity, but George W. Bush cut again, lowering the top marginal rate to 35 per cent, while reducing the tax on capital gains to 15 per cent for assets held for more than a year. The latter further accelerated the accumulation of wealth at the summit, because the rich, increasingly, were deriving their income from capital gains - by trading shares and bonds and other assets. Sam Pizzigati, of the Institute for Policy Studies, a progressive Washington-based think tank, has drilled deeper into IRS data to draw a clearer distinction still. In 1992, according to Pizzigati, the top 400 earners drew 26 per cent of their income from pay cheques and 36 per cent from capital gains. "In 2008, by contrast, only 8 per cent of top 400 income came from salary - 88 of the year's 400 didn't even have jobs - and 57 per cent came from capital gains." Another number cruncher, David Cay Johnston of New York State's Syracuse University, drew on IRS data to show that the incomes of the bottom 90 per cent of American taxpayers rose by 75 per cent in the 30 years to 1980, during a massive expansion of the middle classes. "Since 1980, when Reagan won the presidency promising prosperity through tax cuts," he wrote recently, "the average income of the [90 per cent] has increased a meagre $US303, or 1 per cent. Put another way, for each dollar people in the vast majority made in 1980, in 2008 their income was up to $US1.01." Meanwhile, every dollar that the top 1 per cent was earning in 1980 had by 2008 become $US2. The inequity that the system has bred has become the elephant in the room of political wrangling over what to do about America's deficit woes and expanding IOU with the rest of the world. Congress must soon agree to increase the nation's debt ceiling (the statutory limit for government borrowing) beyond the current $US14.3 trillion or risk the nation defaulting on its bills, an event that could be cataclysmic for the world's financial system. But in return for agreeing to raise the limit that would allow America to keep flexing its credit card beyond next year's presidential election, Republicans - with some conservative Democrats - are insisting on a quid pro quo, measures that would shrink the nation's budget deficit (expected in 2011 to hit a record $US1.6 trillion). The polity agrees that the federal government must ultimately put its balance sheet back in order as the recovery takes hold, though new evidence portends a US economic engine again on the verge of stalling. At the same time, the popular budget remedy, pushed by free-market enthusiasts, combines trillions of dollars of spending cuts over the coming decade with a fresh round of tax cuts. And in this, Washington's latest political drama, a chorus of Tea Party-backed Republicans and other fiscal conservatives chants incessantly: "Get government out of the way and leave it to the private sector." Already, the Bush-era tax cuts, due to expire last year, have been extended until the end of 2012, Barack Obama giving in to the demands of Republicans empowered by big gains in the midterm elections. In return, the President won an extension of dole payments for the long-term unemployed and a cut in payroll taxes for all workers for a year. But that deal also extended tax breaks on dividends, and lowered the estate tax from 45 per cent to 35 per cent while lifting the exempt value from $US3.5 million to $US5 million. Now, many Republicans are calling for the lower tax thresholds to be made permanent, while several of the candidates vying for the party's 2012 presidential nomination are championing cuts to other taxes. Former pizza chain executive Herman Cain wants capital gains tax to be eliminated to "put the right fuel in the engine, which is the private sector". And Michele Bachmann, a congresswoman and Tea Party favourite, is calling for a big cut in corporate taxes, even though US businesses (after deductions) pay just 11.1 per cent of their profits in tax today compared with 47.4 per cent in the 1960s. In fact, Washington's tax take is now lower even than in the Reagan years: federal tax revenue as a percentage of gross domestic product averaged 18.2 per cent during Reagan's two terms, compared with an average 14.9 per cent during Obama's presidency. Pizzigati argues that ending tax "giveaways" to the super-rich and giant corporations would alone raise more than $US4 trillion over a decade and start to mend the budget. But he sees impediments, even for left-leaning Democrats who don't want to offend Wall Street donors whose allegiance makes for a vital source of campaign cash. "[It] goes back to the structure of the Democratic Party; that is, the Democrats get their votes from one group of people and their money from another." Meanwhile, the economist and academic Robert Reich, a former labour secretary in the Clinton cabinet, points to another consequence of a new "gilded age": while Americans bemoan being beholden to offshore investors who hold US Treasuries, about 40 per cent of America's debt is actually owned by very wealthy Americans. "You hear a lot of worries about foreigners dumping Treasuries if they lose confidence in the [US] dollar because of our future budget deficits," notes Reich. "What you hear less about are these super-rich Americans, who are just as likely to abandon Treasuries if spooked by future budget deficits. The great irony is if America's super-rich financed the US government the way they used to - by paying taxes rather than lending the government money - that long-term budget deficit would be far lower." And here's another irony: rank-and-file Tea Party protesters, the vast majority of whom exist on ordinary wages, storming Capitol Hill demanding smaller government and lower taxes, unaware that the current fiscal settings are already threatening the government services on which they depend. In fact, a study by Duke University behavioural economist Dan Ariely found that most Americans were unaware just how skewed wealth had become in the US. Working with a Harvard University scholar, Professor Ariely invited people to consider the wealth distribution of three anonymous societies. One replicated the current situation in the US, a second showed a more equitable distribution similar to that existing in Sweden and a third charted an exactly equal distribution. Most of those surveyed believed the "Swedish model" was actually a representation of America: they underestimated how much wealth the richest Americans actually had and overestimated the prosperity of the poorest. Ariely says this ignorance is explained partly by people confining themselves to their own neighbourhoods and not seeing beyond them. He blames it, too, on the "sloganeering" of politicians that "redirects people's understanding about what's going on: they basically get people to think about slogans rather than the true underlying level of inequality". But the thing Ariely says puzzles him the most is people's aversion to tax. "If you look at it, there are, basically, a few ways to change . . . inequality of wealth. Tax is one of them." But that truism rarely passes political lips. Lamenting the tenor of this week's televised debate between Republican candidates, CBS Radio commentator Dave Ross quoted listeners telling him that "candidates should tell the truth". To which he answered: "Yes, but they can't. The truth is: the rich need to pay more taxes and defence spending needs to be cut. If you say that, you lose." Some of America's rich, however, are now speaking up, telling Washington that they want to pay more tax. "Wealth for the Common Good", a network of professionals and business leaders, has teamed with its higher net-worth alter-ego, the so-called "Patriotic Millionaires". "We should pay more; we want to pay more," announces the latter's website, where 200 millionaires have signed on to the campaign. Earlier this month, some of the signatories discussed with The Huffington Post what they had done with the extra millions that the Bush tax cuts had bestowed upon them. One entrepreneur had simply banked the gains, while Dennis Mehiel, the founder of cardboard box maker US Corrugated Inc, bought a new 50-metre sloop. But, he conceded, the purchase didn't create American jobs. "It was built in Italy." Another CEO, Dal LaMagna, the founder of beauty tools maker Tweezerman, added among other things to his west coast home a dance floor "which I didn't really need". "I just became a Dal LaMagna economic stimulus package in Poulsbo, Washington." Of course, a great American tradition is philanthropy and while the tax bills of the super-rich have steadily declined in recent decades, their giving - but for 2008 and 2009 - has steadily risen. But those who champion a more just tax system argue that philanthropic gifts do not guarantee a more equitable distribution of wealth, and can risk entrenching injustice because the mega-wealthy are free to direct money into causes and political campaigns that maintain the status quo or harm the interests of the broader community. Two final ironies: lower tax rates have meant lower deductibility for charitable giving by the rich, while several studies have noted that the lowest 20 per cent of the American population by income actually gives to charity twice as much (as a percentage of their income) as the richest 20 per cent.

## Taxes are necessary to maintain necessary services

### Without taxes or the IRS, the United States would regress to a Third-World Country

Kayne 10

[Sharon Kayne. April 2010. Without taxes, America would be a Third World country. <http://www.nmpolitics.net/index/2010/04/without-taxes-america-would-be-a-third-world-country/>.]

Each spring we all get to hear about something called “Tax Freedom Day.” This year it was April 9. Did you miss it? Probably not, because this

faux holiday, created by the conservative think-tankers at the Tax Foundation, is really just an exercise in the hypothetical. It works like this: Let’s say that beginning on January 1 of every year, every penny of your paycheck went toward your annual share of taxes. TFD would be the day – it’s in early April – that your annual tax bill would be paid off, meaning that every penny you earned after that for the rest of the year was yours to keep. Aside from the fact that the Tax Foundation’s methodology is questionable – their federal tax rate estimates are skewed by high-income taxpayers and, therefore, do not represent average working Americans – their intent is dark and destructive. What the Tax Foundation number-crunchers really want to do is foster the “us versus them” mentality – the notion that the big, bad government (some amorphous collective “out there” somewhere) is hell-bent on taking your money. Nonsense. Democracy simply doesn’t work like that. In a true democracy, we’re all in this together. So let’s turn the hypothetical on its ear and try a new scenario. Let’s say that, beginning on January 1 every year, every day is “Public Structure Freedom Day.” That means you are not allowed to take advantage of any of the public structures that are paid for with tax money. You can’t drive on city streets or interstate highways. Public schools, colleges and universities are closed. Every hospital or health clinic that receives tax money has to limit its patient load only to those who can pay up front. Grandma will have to put her hip replacement surgery on hold. The labs that do cutting-edge science and medical research are dark. So are most of the sports stadiums, performing arts centers, museums and zoos. The nest egg that you’ve laid up in your local bank is no longer insured. Public Structure Freedom Days don’t end until Tax Freedom Day – or the day when you’ve paid your bill in full for the amenities you’ve come to depend upon. Ridiculous, right? That’s really no more ridiculous than the notion that paying taxes is a burden akin to being a post-Civil War era sharecropper – that is, you’re not technically a slave, but you’re far from being able to determine your own destiny. Some conservatives would have you believe that America is the free-market capitol of the world despite our tax system. But the truth is, America is the free-market capital of the world because of our tax system. Our modern economy is what it is because of the public structures we’ve been building and maintaining for more than 200 years. All of our major industries – steel, oil, mining, lumber and the like – have benefitted either from government-financed technological advances, free or low-cost raw materials, or out-and-out subsidies. Our systems of highways, railroads and airports were all funded at least in part by our taxes. They make modern commerce possible. The development of the Internet, which has changed more than our economy, was also funded by our taxes. Without our regulatory agencies, our water and air would be at the mercy of industrial polluters. And it works both ways – those same companies would have no legal protection for their trade secrets or from personal liability for their actions. Without our public education system we would not have enough skilled workers to run our companies and industries. Without skilled workers we would also have few consumers, free market or not. Without taxes, we would have little infrastructure and a very small percentage of the population would be able to read and write. In other words, we would be a Third World country. Despite our enduring mythology of Americans as “rugged individuals,” this country was not built by individuals acting alone. Certainly, many very talented and enterprising individuals made significant contributions. But we built this great country together, and we did a lot of it by investing in public structures together. Taxes are not the penalty you pay for being an American. Taxes are the communal kitty that we all chip in to so we can accomplish great things as a nation.

## Republicans will look to cut military spending

### Call for budget cuts will lead Republicans to cut military spending and become more isolationist; that will include withdrawal from Afghanistan

Sullivan 2011

(Andrew Republicans let slip the dogs of peace; With the economy in dire straits, the right is rediscovering the benefits of isolationism The Sunday Times (London) June 19 Edition 1; National Edition, lexis)

If someone had asked me a decade ago to name a classic Republican, I would have said Bob Dole, the presidential candidate of 1996 from Kansas. With a cranky flintiness, he was always a man more interested in the costs than the benefits of any political endeavour. He has a wicked and dry sense of humour, and piety does not come easily to him. A man scarred for life by military service, he took war for what it is: a hellish option of last resort. Among the purest of his midwestern sentiments was the ingrained belief that America was always fighting "Democrat wars". In a classic debate exchange when he was running to be Gerald Ford's vice-president in 1976, he said: "I figured it up the other day: if we added up the killed and wounded in Democrat wars in this century, it would be about 1.6m Americans - enough to fill the city of Detroit." It didn't go down well and Ford lost to Jimmy Carter. But the sentiment Dole expressed is a real one in the history of American Republicanism - and it may well be experiencing a revival in the era of the Tea Party. It has mostly been the Democrats who have led the US with warfare: from Woodrow Wilson in the first world war to Franklin Roosevelt in the second, Harry Truman in Korea and John Kennedy and Lyndon Johnson in Vietnam. On the Republican side, it was Ike Eisenhower who pulled out of Korea, Richard Nixon who left Vietnam and Ronald Reagan who ended the cold The two Bushes, with their Middle Eastern conflicts, were exceptions. The deep strain of fiscal conservatism on the traditional right - low taxes, balanced budgets and limited government - traditionally made Republicans leery of expensive war-making. They were often the realists urging caution; the gloomsters fearing unintended consequences; the savers, not the spenders, in American life. It was Eisenhower who, in 1961, warned Americans of the sheer power of what he coined "the military-industrial complex", whose influence "is felt in every city, every statehouse, every office of the **federal government**". Last week a Democratic president elected on an anti-war platform dismissed the need for congressional approval for the Libyan war. Obama argued that the War Powers Resolution - which reflects the constitutional requirement that "Congress shall have power ... to declare war", not the president - was irrelevant because the Libyan campaign was not a war. It was a limited kinetic military action, or some such euphemism. Obama made that case after a challenge from John Boehner, the Republican speaker of the House of Representatives. More to the point, he made it after the first formal debate last week in New Hampshire between the Republicans vying to replace him. In that debate, no Republican backed the Libyan war. Far more devastatingly, several voiced qualms about the wisdom of the wars in Iraq and Afghanistan. In 2008 only Ron Paul, the cranky libertarian from Texas, was anti-war. Now, he had serious company. The spirit of Eisenhower lives on. Mitt Romney, the frontrunner among the candidates, said: "Our troops shouldn't go off and try to fight a war of independence for another nation. Only the Afghans can win Afghanistan's independence from the Taliban." The Tea Party darling, Sarah Palin, recently parted company with her neoconservative foreign policy advisers because she opposed the war in Libya and had become more sceptical of the war in Afghanistan. Jon Huntsman, the candidate with the most extensive knowledge in foreign policy (until recently he was Obama's ambassador to China), favours reducing the American commitment in Afghanistan to 15,000 counterterrorism troops from the 100,000 in theatre now. A recent CNN poll found 62% of Americans disapproved of the war in Afghanistan, up from 51% when Obama took office. A Gallup poll last month found the Republicans split 47%-47% (with 6% don't-knows) on whether the US had accomplished its mission in Afghanistan. The killing of Osama Bin Laden has had a real impact, especially among the Republican base; Al-Qaeda was the reason the US invaded Afghanistan in the first place, after all. But do not underestimate the fiscal imperative. George W Bush recklessly put both the Iraq and Afghan wars "off budget". The newly spending-conscious Republicans cannot get away with that in the day of the Tea Party. As the US contemplates financial default or trillions of dollars in spending cuts and tax increases, the wars are increasingly a hard sell. And there is growing realisation that strong defence does not necessitate more military spending than every other major country combined. At the height of the cold war, in 1985-9, defence spending accounted for 6% of GDP. Two decades later, after the end of the cold war and without any similar military power threatening the US, the proportion is 5.4%. Compare that with Russia, where defence spending has gone from 16% of GDP to 2% in the same period. Or Britain, where it has declined from 4.4% to 2.7%. Or China, which has been at a steady 2.2% for the whole time. Eisenhower was on to something. His warning came in a period of economic boom; today, America faces a long, slow recovery from the Bush economic hangover and the financial collapse of 2008. Republicans are not going to shift overnight towards isolationism, but they know it is hard to sell military spending at levels near the peak of the cold war when the elderly are being asked to sacrifice reliable healthcare, and so much of the middleaged middle class in middle America is unemployed. What we are gradually seeing, it seems to me, is a third phase since the end of the cold war. The first was the first Bush's and Clinton's gingerly attempts to create a new world order through US-led institutions. The second was the overreach against Islamist terrorism together with a neoconservative vision of a second American century. The third is the response to the hubris of that effort, an attempt to focus military force more accurately, and a desperate need to prevent fiscal collapse. In this new atmosphere, the old non-interventionist DNA of the old isolationist Republican party is twitching again. Its moment is coming. And if there is to be a serious retrenchment for America's global military dominance, it will surely have to come from the right. They have the conservative cover for big military cuts, just as Eisenhower had the military cred to end the Korean war, and Reagan had the anticommunist cred to end the cold one. Will it be Romney's rallying cry? To end the war Obama ratcheted to new levels? History has such incongruities aplenty. I wouldn't bet against another one.

## Budget Cuts Devastate Afghan War Efforts

### Rationale for reducing troops based on need to cut the budget; size of cuts would be negligible and devastating to Afghan war efforts

Kaplan 2011

(Lawrence F, contributing editor at The New Republic and a visiting professor at the U.S. Army War College Penny-Pinching Peace; There's a worthwhile argument to be had about the future fight in Afghanistan. Money, however, is not the point. Newsweek International Edition Vol. 157 No. 26 June 27, lexis)

The moment one passes through a war zone's looking glass, all the predetermined conclusions, all the political certainties, all the things that war has come to embody in the American imagination--all of them crumble away. In Iraq and Afghanistan, the measure that counts most is the butcher's bill. At home, we look to the accountant's ledger. Unsurprisingly, then, members of the Obama team have taken to the pages of The Washington Post to argue that the economic cost of the Afghanistan war might well be the "most influential number" in shaping troop reductions there, as the price of fielding U.S. forces has become "too high, given a wide federal budget gap that will require further cuts to domestic programs and increased deficit spending." Or, as Sen. John Kerry, in making a case for troop cuts, put it, the war's fiscal tally has become "unsustainable." Donning their green eyeshades, the Republican contenders at last week's presidential debate offered an identical line of argument. This sort of reasoning makes for good politics. Beyond the political realm, however, the obsession with dollars and cents has had pernicious effects. Ideally, a nation's concept of how to employ military power derives from strategy: a realistic appraisal of interests and threats, and of means and ends. In freely acknowledging that the scaling back of U.S. military plans in Afghanistan has been dictated by a reluctance to accept even marginally higher levels of wartime spending, the Obama team and its Republican bedfellows have opted for an economic answer to a noneconomic question. By definition, the primary aim of fiscal "sustainability" is not security but prosperity--a fine and important thing, but hardly a cause for which Americans should ever be asked to risk their lives. Put another way, if the war is right and necessary, then its expense shouldn't matter. Likewise, if it is wrong or unimportant, either morally or strategically, the president has no business risking a single American life in Afghanistan. Lest it be forgotten, it is not the war that has broken Washington's budget. So it is strange, indeed, that phrases like "How much is enough?"--presumed after Vietnam to have been banished forever from the lexicon of military affairs--have once again returned to favor. Leslie Gelb, president emeritus of the Council on Foreign Relations, computes that troop cuts will help solve America's debt crisis. "Obama could save more than $100 billion a year on the Pentagon budget just by sequestering savings after exiting the Iraq and Afghan wars," Gelb wrote recently. "That goal is a good reason to start the withdrawal process this July at 30,000 and remove them within a year." This is risible. On the question of what to do about Afghanistan, there's ample room for disagreement. The war may even perpetuate the U.S.'s strategic bankruptcy. But it hardly threatens to put us into actual bankruptcy. Next year the Pentagon plans to spend $107 billion in Afghanistan--this, in comparison to the $3.7 trillion that the Obama team plans to spend overall. Put another way, Afghanistan amounts to all of 0.75 percent of the nation's $14.1 trillion GDP. So, no--war bonds, scrap drives, and rationing won't be necessary. Quite the reverse: while the government spends $100 billion on America's fighting men and women in Afghanistan, it will funnel 20 times that--more than $2 trillion--to its citizen-spectators through Medicare, Social Security, Medicaid, and other varieties of domestic spending. The whole business of waging war on a shoestring reflects an insistence on substituting budget gimmickry for genuine strategic measures of effectiveness. True, American forces have made progress, but then it is also true that savings may be wrung from their accomplishments. Thus, for all of its faux moral posturing about the pace of military deployments, the Obama team has cast a glance backward to the Donald Rumsfeld era and announced that, even with the Army and Marines at war, it will shrink their ranks by tens of thousands of personnel. "Everybody wants to have a peace dividend," House Armed Services Committee chairman Rep. Howard "Buck" McKeon has rightly complained, "but we're not at peace." No, we're not. So it may be useful to note that one-time sunk costs like equipment and construction--the constellation of bases that loop around Afghanistan, not the troops who inhabit them--account for the war's steepest expenditures. Or, as the headline in an exhaustive report by the Congressional Research Service put it, "Military Personnel Is Not Main Factor in Increases." As the report goes on to explain, between 2004 and 2008, as war-related costs were escalating to the tune of hundreds of billions of dollars, and more and more troops were being dispatched overseas, "military personnel costs grew by about 2% or $300 million, explaining little of the overall increase." The counterargument, that withdrawing 30,000 troops will make a dent in the budget (much less the national debt), is a fanciful and half-informed conceit. During his farewell tour earlier this month, Defense Secretary Robert Gates neatly summarized the dangers inherent in this sort of reasoning. He warned that "retrenchment brought about by shortsighted cuts could well lead to costlier and more tragic consequences later--indeed as they always have in the past." In the name of a troop reduction that will cut the war's price tag by 15 percent at most, budget cutters from both parties now threaten to undo all that has been done in this military campaign. Ultimately, though, the risk of achieving security by means of penny-pinching may soon be felt in Afghanistan, where it really hurts.

## Alternative Solutions to Solving for Budget Deficit

### We must get creative in solving the budget deficit crisis; need to be willing to look at reducing unemployment

FRANK 11

(ROBERT H., economics professor at the Johnson Graduate School of Management at Cornell University U.S. jobs, not deficit, come first; Economic View The International Herald Tribune June 25, lexis)

The U.S. budget deficit is a distraction. It is important, yes, and must be addressed. But by a wide margin, it is not the United States' most pressing economic problem. That would be the widespread and persistent joblessness that has plagued the labor market since the recession began in 2008. Almost 14 million people - 9.1 percent of the labor force - were officially counted as unemployed in the United States last month. But that is just the tip of the iceberg. There were almost 9 million part-time workers who wanted, but could not find, full-time jobs; 28 million in jobs they would have quit under normal conditions; and an additional 2.2 million who wanted work but could not find any and dropped out of the labor force. If the U.S. economy could generate jobs at the median wage for even half of these people, national income would grow by more than 10 times the total interest cost of the 2011 deficit (which was less than $40 billion). So anyone who says that reducing the deficit is more urgent than reducing unemployment is saying, in effect, that the United States should burn hundreds of billions of dollars worth of goods and services in a national bonfire. Americans ought to be tackling both problems at once. But in the current fractious political climate, many promising dual-purpose remedies - like infrastructure investments that would generate large and rapid returns - are called unthinkable, in the false belief that they would impoverish future generations. Yet there are other ways to attack unemployment that could garner bipartisan support. Perhaps the most promising is a payroll tax holiday. The payroll tax was originally meant to pay for retirement through Social Security, and in recent years, U.S. employees and employers have each contributed 6.2 percent of total salary - with no additional levies on salaries beyond $106,800. The U.S. Congress should both declare an immediate payroll tax holiday for employees and exempt employers from making contributions for newly hired workers. And it should keep both provisions in effect until the end of next year. The first step would increase take-home pay, thus stimulating spending and employment. And the employer exemption from taxes on new hires would make it substantially less expensive to hire additional workers. Last December, Congress approved cutting the employee's contribution to the payroll tax to 4.2 percent of salary for the 2011 calendar year, an action that attests to the political viability of my proposal. President Barack Obama has proposed extending the employee reduction through 2012, but in the face of dreary recent labor market data, stronger steps are needed. Laurence S. Seidman, an economist at the University of Delaware, has estimated that if employee payroll tax payments were suspended from next month through 2012, the unemployment rate by the end of that period would be one percentage point lower than it would have been otherwise. Private-sector employment would thus expand by about 2.4 million workers by the end of next year. Even greater employment growth would result from the employer exemption on new hires. Companies are not very likely to hire additional workers unless they can generate at least enough new income to cover their salaries, including all relevant taxes. The exemption would reduce the cost of hiring new workers 6.2 percent - and even by conservative estimates, it could be expected to result in more than five million new hires. Although payroll tax revenue has traditionally been designated to pay for Social Security benefits, Congress should make it clear that these steps will have no effect on current or future retirement checks. The U.S. Treasury would have to issue new bonds to cover those payments in the short term. But the payroll tax holiday and cap need not compromise the long-term goal of deficit reduction. Because these two measures would increase employment more than seven million by the end of 2012, income tax revenue would rise accordingly. And higher employment would sharply increase both the employee and employer portions of the payroll tax, compared with what they otherwise would have been when the tax holiday ended. Taking such steps to expand employment would improve the long-run deficit picture in other ways. Periods of high unemployment are periods of high social stress. Increasing employment would reduce divorce rates and result in better nutrition and parental care for children. It would also give many recent graduates a quicker start to their careers. These effects would yield permanent increases in lifetime earnings, with corresponding effects on tax revenue. Higher demand would also accelerate business investment. Many companies are not investing today because they already have enough capacity to produce more than people want to buy. Greater investment would bolster productivity and wages, which would also lead to permanently higher tax revenue. Enacting a payroll tax holiday, however, should not end discussion of more forceful and effective proposals to stimulate employment. Americans need to keep posing hard questions to deficit hawks who argue that the United States should not be hiring unemployed workers to maintain crumbling roads and bridges, even though postponing such projects will make them much more expensive in the future. These projects do not impoverish future generations. They enrich them. The important point is that bringing down U.S. government deficits is a long-run problem that cannot and should not be solved by gutting entitlement programs like retirement and health care. Deficit reduction will require creative thinking about additional revenue sources and judicious decisions about future spending. But the immediate concern must be getting people back to work.