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# 1NC

### A. Uniqueness - Spending decreasing now, NASA budgets are constrained.

Space Politics.com 5/13/11 “Another sign of tight budgets ahead” http://www.spacepolitics.com/2011/05/13/another-sign-of-tight-budgets-ahead/

It’s been clear for some time that the budget environment for the next fiscal year (and beyond) will be constrained, given concerns about massive budget deficits and the nation’s growing debt. This week has given another clue about how tight those budgets might be for next year for NASA and other agencies. The House Appropriations Committee released its draft funding allocations for FY12, broken down by subcommittee. For Commerce, Justice, and Science, which includes NASA, the current “notional” spending allocation is $50.2 billion, compared to $53.3 billion in 2011 and nearly $57.7 billion in the administration’s 2012 budget request. In 2011 NASA’s funding of just under $18.5 billion accounted for nearly 35 percent of the subcommittee’s total; if that fraction holds in 2012 NASA would end up with about $17.5 billion, or more than $1 billion less than the agency’s request of $18.7 billion.

### B. Link – New Spending destroys fiscal discipline

Hurt 2-14-11 [Robert Hurt, Virginia Congressman, “Charting A New Course Of Fiscal Discipline And Restraint,” February 14, 2011, <http://virginiafifthwatchdog.com/2011/02/charting-a-new-course-of-fiscal-discipline-and-restraint/>]

Unfortunately, the Administration’s initial suggestions to freeze spending at current levels, combined with its continued commitment to more failed stimulus-style spending, eludes the real kind of change that needs to take place in Washington. With our national debt soaring past $14 trillion and our deficit reaching nearly $1.5 trillion, freezing spending at an artificially high and accelerated level is not enough. And with unemployment continuing to remain at an unacceptable rate, the last thing we need is more government spending, more taxing, and more borrowing. To truly turn our economy around, we need a renewed commitment to the kinds of policies that will inject a level of certainty into our economy that will give our job creators the confidence necessary to hire and expand once again. Reining in government spending and returning to pre-stimulus, pre-bailout levels, reducing unnecessary regulations, and forcing our government to live within its means by passing a balanced budget amendment are all steps in the right direction. The actions next week in the House will seek to continue to move our economy forward as we chart a new course of fiscal discipline and restraint. For the first time in years, the House will debate cutting government spending rather than increasing it as we initiate the consideration of a budget proposal for the remaining seven months of this fiscal year. This historic bill stands in direct contrast to last year’s Congress, which failed to propose or even pass a budget, allowing government spending to go unchecked and putting us on an unsustainable path that threatens the economic outlook of our country.

### C. Impact - Continued deficit spending collapses the economy

Roe 11 (Phil, member of the Education and Workforce Committee and Representative from Tennessee, “Cut, cap and balance: A fight toward fiscal responsibility,” 5-18, http://voices.washingtonpost.com/federal-eye/2010/05/navy\_plebes\_scale\_herndon\_monu.html)

On Monday, the United States reached the legal limit of its borrowing authority – further evidence that out-of-control spending is a matter of national security. Serious reforms and government spending cuts need to be made to avoid severe economic disruptions – both in the short and long-term. The national debt and deficits are rising at an unconscionable rate. The national debt now exceeds $14 trillion, and the government is still piling up debt at the rate of $200 million an hour, $30 billion a week, $120 billion a month and $1.6 trillion a year. It’s clear we don’t have a revenue problem – we have a spending problem. Raising the debt ceiling without these serious reforms will only burden our future generations with outrageous debt. Worse, the president and Senate Democrats are saying they want a “clean” debt ceiling increase, which means that they want to continue spending and borrowing more money with no strings attached. My view is we must not raise the debt ceiling by $1 without simultaneously making deep cuts in spending and taking real steps towards a balanced budget. It is imperative to the future of the country that we fight for an immediate shift toward fiscal responsibility. That is why I, along with my colleagues in the Republican Study Committee (RSC), wrote a letter to House Speaker John Boehner asking him to “Cut, Cap and Balance.” Specifically, we advocated for discretionary and mandatory spending reductions that would cut the deficit in half next year; enacting statutory, enforceable total-spending caps to reduce federal spending to 18 percent of Gross Domestic Product (GDP); and a Balanced Budget Constitutional Amendment (BBA) with strong protections against federal tax increases and including a Spending Limitation Amendment (SLA). This proposal will put us on a path to prosperity, and I will work to see provisions like this are included in any final agreement. I believe it is prudent to limit the extension of borrowing authority as much as possible, in order to demand accountability from Senate Democrats and the Obama Administration. Every day, we see more and more evidence of the need to confront the problem now. The International Monetary Fund (IMF) report released in April adds urgency to the need for meaningful actions — both short and long-term — to confront the nation's debt head-on. Additionally, Moody's Analytics released a report several weeks ago forecasting a downgrade in our country’s bond rating. It’s clear that if we fail to stop the spending spree, our nation will face economic collapse in the long-term.

### D. Global nuclear war

Auslin 9 (Michael, Resident Scholar – American Enterprise Institute, and Desmond Lachman – Resident Fellow – American Enterprise Institute, “The Global Economy Unravels”, Forbes, 3-6, http://www.aei.org/article/100187)

What do these trends mean in the short and medium term? The Great Depression showed how social and global chaos followed hard on economic collapse. The mere fact that parliaments across the globe, from America to Japan, are unable to make responsible, economically sound recovery plans suggests that they do not know what to do and are simply hoping for the least disruption. Equally worrisome is the adoption of more statist economic programs around the globe, and the concurrent decline of trust in free-market systems. The threat of instability is a pressing concern. China, until last year the world's fastest growing economy, just reported that 20 million migrant laborers lost their jobs. Even in the flush times of recent years, China faced upward of 70,000 labor uprisings a year. A sustained downturn poses grave and possibly immediate threats to Chinese internal stability. The regime in Beijing may be faced with a choice of repressing its own people or diverting their energies outward, leading to conflict with China's neighbors. Russia, an oil state completely dependent on energy sales, has had to put down riots in its Far East as well as in downtown Moscow. Vladimir Putin's rule has been predicated on squeezing civil liberties while providing economic largesse. If that devil's bargain falls apart, then wide-scale repression inside Russia, along with a continuing threatening posture toward Russia's neighbors, is likely. Even apparently stable societies face increasing risk and the threat of internal or possibly external conflict. As Japan's exports have plummeted by nearly 50%, one-third of the country's prefectures have passed emergency economic stabilization plans. Hundreds of thousands of temporary employees hired during the first part of this decade are being laid off. Spain's unemployment rate is expected to climb to nearly 20% by the end of 2010; Spanish unions are already protesting the lack of jobs, and the specter of violence, as occurred in the 1980s, is haunting the country. Meanwhile, in Greece, workers have already taken to the streets. Europe as a whole will face dangerously increasing tensions between native citizens and immigrants, largely from poorer Muslim nations, who have increased the labor pool in the past several decades. Spain has absorbed five million immigrants since 1999, while nearly 9% of Germany's residents have foreign citizenship, including almost 2 million Turks. The xenophobic labor strikes in the U.K. do not bode well for the rest of Europe. A prolonged global downturn, let alone a collapse, would dramatically raise tensions inside these countries. Couple that with possible protectionist legislation in the United States, unresolved ethnic and territorial disputes in all regions of the globe and a loss of confidence that world leaders actually know what they are doing. The result may be a series of small explosions that coalesce into a big bang.

# Uniqueness

## Budget Cuts now

### GOP will win big budget cuts now.

LA Times 7-1-11 “Deficit battle shaping up as GOP victory” http://www.latimes.com/news/nationworld/nation/la-na-debt-ceiling-20110702,0,6647968.story

Reporting from Washington— Even as the political battle mounts over federal spending, the end result for federal policy is already visible — and clearly favors Republican goals of deep spending cuts and drastically fewer government services. President Obama entered the fray last week to insist that federal deficits can't be reduced through spending reductions alone. Federal tax revenue also must rise as part of whatever deficit reduction package Congress approves this summer, he said. Obama has been pushing to end a series of what he calls tax loopholes and tax breaks for the rich. But even if Obama were to gain all the tax-law changes he wants, new revenue would make up only about 15 cents of each dollar in deficit reduction in the package. An agreement by the Republicans to accept new revenue would be a political victory for Obama because "no new taxes" has been such an article of faith for the GOP. But substantively, budget experts note, the plan would still be dominated by cuts to government programs, many of them longtime Democratic priorities, such as Medicaid and federal employee pensions.

### Dems have agreed to massive spending cuts now.

LA Times 7-1-11 “Deficit battle shaping up as GOP victory” http://www.latimes.com/news/nationworld/nation/la-na-debt-ceiling-20110702,0,6647968.story

GOP leaders have seized on the unpopular debt ceiling vote as an opportunity to further their goal of reducing the size and scope of government. Democrats have largely accepted more than $1 trillion in spending reductions as a signal that they are willing to make difficult choices — including, a Democratic official said, $200 billion in cuts to Medicare and Medicaid. Details of such cuts are still unknown, but they will slice across every domestic agency, reducing funds for education, transportation, health and welfare. The Pentagon may be spared under the GOP plan. Even some Republicans worry about the scope of reductions, which could affect up to $35 billion in agricultural subsidies in farm states, and billions more in infrastructure projects or social services in home districts. However, few Republicans have spoken out, many fearing potential primary election challenges by conservative organizations and "tea party" activists.

### Broad Spending cuts are inevitable.

Fox News 5-16 (Chad Pergram, "An Unenviable Choice: Disaster Relief Versus Spending Cuts", http://politics.blogs.foxnews.com/2011/05/17/unenviable-choice-disaster-relief-versus-spending-cuts)

But the work on the FY ‘12 appropriations bills marks the first time a Republican-led House, dominated by conservatives and tea party loyalists, will have a complete stab at slicing federal spending. This is where Republicans truly have a chance to make good on their campaign promises to ax the debt. Late last week, Rogers and the Appropriations Committee released a set of numbers that would glaze over the eyes of any accountant worth his pocket protector. The numbers were something called 302(b) allocations. Last month, the House adopted the so-called "Ryan Budget," a non-binding spending blueprint drawn up by House Budget Committee Chairman Paul Ryan (R-WI). And last week, Rogers took Ryan's framework and concocted the 302(b) allocations. In short, Ryan baked the pie. Rogers then sliced up the pie into 12 pieces. Each wedge of pie represented an individual Appropriations subcommittee that governs a set of federal government fiefdoms. But what's important is how big Rogers rationed each pie slab. To comply with the Ryan budget, Rogers needed to reduce spending by about $30 billion from what President Obama proposed. So Rogers offered up a series of spending chunks that trimmed non-defense federal spending by 11 percent. "These are big-time cuts. They would take us back to the (FY) ‘06 levels for the cuts," boasted Rogers. He noted that the agriculture spending bill is on target to absorb a 13 percent reduction. Rogers says transportation and housing programs could lose around 18 percent. Spending for the measure that funds the Departments of Labor and Health & Human Services reverts to FY ‘04 levels. This is where the rubber hits the road. And Rogers is bracing for the fights. "Members of Congress argue with each other?" the Kentucky Republican asked rhetorically. "Of course, there will be some disagreements. But I think when the dust settles, we'll be able to pass those bills and make responsible cuts."

## No New Spending

### --No new spending, voter pressure.

Fox News 5-16 (Chad Pergram, "An Unenviable Choice: Disaster Relief Versus Spending Cuts", http://politics.blogs.foxnews.com/2011/05/17/unenviable-choice-disaster-relief-versus-spending-cuts)

Finally, even the Obama Administration and Democrats are wary of formulating an additional spending bill. If history is any guide, such packages have the potential to become "Christmas Trees." These are bills decorated with an array of spending baubles and ornaments devoted to causes besides the targets of the base legislation. And in order to garner support from lawmakers who don't represent constituents in the tornado or flood zones, a possible bill could require significant garnishment just to conjure up the votes. Which brings us to the endgame for House Republicans. If the GOP wants to cut spending, it can't do supplemental spending bills on top of the regular spending bills. That's part of the reason why the national debt exploded. After all, supplemental spending bills to bankroll the war on terror and operations in Iraq helped explode the debt over the past decade. In addition, loading up bills with extras to coax lawmakers to vote for additional spending is a thing of the past in Washington. And it's definitely not what the voters want.

### No spending - Political consequences

Washington Post 10 (“New spending plans belie Congress's deficit worries,” 5-24, http://www.washingtonpost.com/wp-dyn/content/article/2010/05/24/AR2010052403585.html)

Not every item has been "scored" by the Congressional Budget Office, but senior Democratic aides have told The Post that they expect the measure to cost almost $200 billion over the next decade. This is on top of a separate $60 billion measure to fund the war in Afghanistan, now before the Senate, to which the White House is trying to attach $23 billion in additional deficit spending to avoid layoffs of public school teachers. With deficit anxiety rising in the electorate, there are signs that both the White House and the leadership in Congress are beginning to worry about the political costs of more red ink. House leaders are discussing a one-year budget plan that might cut more than Obama's proposed freeze on non-national security discretionary spending. But first, more dollars out the door.

## Budget Deal now

### Deal on the budget now.

LA Times 7-1-11 “Deficit battle shaping up as GOP victory” http://www.latimes.com/news/nationworld/nation/la-na-debt-ceiling-20110702,0,6647968.story

With just a few weeks remaining to reach an agreement, Democrats now are fighting mainly for the most populist tax reforms: ending tax subsidies for oil and gas companies, eliminating a tax break for hedge fund managers, closing an ethanol loophole and changing the way businesses write off inventory, according to those familiar with the talks. In an appeal to the sensibilities of ordinary Americans, Democrats have gone after notable tax loopholes: tax breaks for owners of corporate jets or thoroughbred race horses. Such reforms produce only modest revenue — $3 billion in the case of corporate jets — but Democrats believe they carry political value. House Speaker John A. Boehner (R-Ohio) is aware that he will probably need Democratic votes to pass a deal, much as he did earlier this year to avert a government shutdown. That would require adding sweeteners.

### A budget deal is coming, but negotiations focus on limiting discretionary spending.

Trumbull – 6/16/11 (Mark, “Budget math: Is too much 'off the table' to really fix US deficit?” Christian Science Monitor, 16 June. [Online] http://www.csmonitor.com/USA/Politics/2011/0616/Budget-math-Is-too-much-off-the-table-to-really-fix-US-deficit)

That's essentially what's happening now in Washington, as Democrats and Republicans agree on a major problem but not on how to fix it. On Thursday, bipartisan talks led by Vice President Joe Biden continue. After the group met Wednesday, lawmakers expressed optimism about reaching a fiscal deal, even though some key pieces of the nation's finances are currently viewed as "off the table." Republicans generally don't want to consider raising taxes as part of a plan to reduce federal deficits. And the rift between the two parties over how to fix Medicare and Social Security has pushed those entitlement programs to the sidelines. So the two parties are focused on other parts of the federal budget – such discretionary spending and where to cut it – as they rush to put a fiscal deal in place before Aug. 2. Both sides agree that it's a good idea to act by early August, ideally a bit ahead of that Treasury-announced deadline, to avoid a serious funding challenge for the nation. After that, the government won't be able to borrow, by issuing new bonds, unless Congress has raised the debt limit. The limited scope of the bipartisan talks doesn't mean they are fruitless. In fact, as lawmakers left Wednesday's meeting members of both parties struck an optimistic tone about the progress being made. The group is meeting at a stepped-up pace (it will gather again Thursday, for its third meeting of the week) with the goal of setting a framework for legislation by July 4.

### A deal on raising the debt limit will be reached in the status quo.

Bennett – 6/05/11 (John T., “Rep. Paul and Goolsbee agree: A debt ceiling deal is likely,” The Hill [Blog Briefing Room], 05 June. [Online] http://thehill.com/blogs/blog-briefing-room/news/164787-rep-paul-goolsbee-agree-debt-ceiling-deal-is-likely)

Rep. Ron Paul (R-Texas) and the White House’s chief economic adviser agree on at least one thing: The nation’s debt ceiling will be raised. Congressional leaders are likely to strike a deal by August that will increase the federal debt ceiling, Paul and Austan Goolsbee, chairman of the White House Council of Economic Advisers, said during separate appearances on two Sunday morning talk shows. Negotiations over a deal that would allow the federal government to keep borrowing money beyond early August probably “will come down to the wire,” but congressional leaders will “get it done,” Paul said on CNN’s “State of the Union.” On ABC’s “This Week,” Goolsbee expressed optimism that the debt ceiling will be increased. His prediction is based on comments from leaders in both political parties that they “don’t want to go right to the brink.”

### Movement of key issues is the best evidence a deal is coming – Taxes and entitlement reforms prove.

Klein – 6/17/11 (Ezra, “Wonkbook: Dealmaking time on the deficit?” The Washington Post [Wonkbook blog], 16 June. [Online] http://www.washingtonpost.com/blogs/ezra-klein/post/wonkbook-dealmaking-time-on-the-deficit/2011/06/17/AGLWEcYH\_blog.html)

The Biden group is readying itself for the final sprint towards a debt deal. “Now we’re getting down to the real hard stuff," Biden told reporters. "I’ll trade you my bicycle for your golf clubs.” The hope is to get to $4 trillion in deficit reduction eventually, and at least $2 trillion in the deal to raise the debt ceiling. But perhaps the strongest sign that they're likely to succeed isn't coming from inside the room, but from outside of it. Earlier this week, Senate Republicans voted to close out some ethanol subsidies in the tax code and use the savings to reduce the deficit. That was an explicit signal that they're willing to increase revenues so long as the mechanism is closing loopholes, ending tax breaks and shaving expenditures. Now, it's a lot easier to close $6 billion of reviled energy subsidies than raise hundreds of billions in new revenues by attacking popular tax breaks like the mortgage-interest deduction. But it's at least clear we can now move onto that discussion. Meanwhile, AARP has quietly dropped their blanket opposition to Social Security cuts. The reason? They figure they're inevitable. "The ship was sailing," John Rother, AARP's policy chief, told the Wall Street Journal. "I wanted to be at the wheel when that happens." That makes it much likelier that Social Security will see reform later this year. But perhaps more importantly, it shows that the major players in Washington are entering dealmaking mode. And that's usually a pretty good predictor that some deals are about to be made.

## No NASA Spending now

### NASA focusing on small limited missions now.

Jeremy Hsu 6/27/11 “Space on a budget balances risk vs. innovation” Sr. Writer at Innovation News Daily <http://www.msnbc.msn.com/id/43555581/ns/technology_and_science-innovation/#>

"Inexpensive missions are low-cost, but are still half a billion a shot; it's not something you throw out casually," Banerdt told InnovationNewsDaily. "Doing tech development is really tough to do under a Discovery budget." NASA managers might consider ways to allow "innovation to creep into costs and schedules" despite the low budgets, said Doug Stetson, a consultant with the Space Science and Exploration Group. He moderated a panel of experts at the International Academy of Astronautics' ninth Low-Cost Planetary Missions Conference held in Laurel, Md., last week. "The planetary program is going to be dominated for the foreseeable future by smaller, competed missions," Stetson said. "Most of the large flagship missions are over."

### No space spending now – the space age is over.

The Economist – 6/30/11 “The end of the Space Age Inner space is useful. Outer space is history” http://www.economist.com/node/18897425

Yet none of this was the Space Age as envisaged by the enthusiastic “space cadets” who got the whole thing going. Though engineers like Wernher von Braun, who built the rockets for both Germany’s second-world-war V2 project and America’s cold-war Apollo project, sold their souls to the military establishment in order to pursue their dreams of space travel by the only means then available, most of them had their eyes on a higher prize. “First Men to a Geostationary Orbit” does not have quite the same ring as “First Men to the Moon”, a book von Braun wrote in 1958. The vision being sold in the 1950s and 1960s, when the early space rockets were flying, was of adventure and exploration. The facts of the American space project and its Soviet counterpart elided seamlessly into the fantasy of “Star Trek” and “2001: A Space Odyssey”. Other planets may or may not have been inhabited by aliens, but they, and even other stars, were there for the taking. That the taking would begin in the lifetimes of people then alive was widely assumed to be true. No longer. It is quite conceivable that 36,000km will prove the limit of human ambition. It is equally conceivable that the fantasy-made-reality of human space flight will return to fantasy. It is likely that the Space Age is over. Bye-bye, sci-fi Today’s space cadets will, no doubt, oppose that claim vigorously. They will, in particular, point to the private ventures of people like Elon Musk in America and Sir Richard Branson in Britain, who hope to make human space flight commercially viable. Indeed, the enterprise of such people might do just that. But the market seems small and vulnerable. One part, space tourism, is a luxury service that is, in any case, unlikely to go beyond low-Earth orbit at best (the cost of getting even as far as the moon would reduce the number of potential clients to a handful). The other source of revenue is ferrying astronauts to the benighted International Space Station (ISS), surely the biggest waste of money, at $100 billion and counting, that has ever been built in the name of science. The reason for that second objective is also the reason for thinking 2011 might, in the history books of the future, be seen as the year when the space cadets’ dream finally died. It marks the end of America’s space-shuttle programme, whose last mission is planned to launch on July 8th (see article, article). The shuttle was supposed to be a reusable truck that would make the business of putting people into orbit quotidian. Instead, it has been nothing but trouble. Twice, it has killed its crew. If it had been seen as the experimental vehicle it actually is, that would not have been a particular cause for concern; test pilots are killed all the time. But the pretence was maintained that the shuttle was a workaday craft. The technical term used by NASA, “Space Transportation System”, says it all. But the shuttle is now over. The ISS is due to be de-orbited, in the inelegant jargon of the field, in 2020. Once that happens, the game will be up. There is no appetite to return to the moon, let alone push on to Mars, El Dorado of space exploration. The technology could be there, but the passion has gone—at least in the traditional spacefaring powers, America and Russia.

### NASA spending will decrease very soon – its precarious.

Huntsville Times 6/29/11 Congressman Mo Brooks says NASA in financial fight for its life http://blog.al.com/breaking/2011/06/congressman\_mo\_brooks\_says\_nas.html

U.S. Rep. Mo Brooks, R-Huntsville, said Tuesday that NASA's survival is at stake in the current Washington spending environment. "I don't know what's going to happen," Brooks said in a meeting with Huntsville Times editors and reporters. "I know with this president, things are precarious and they may be getting worse." Speaking of the current Washington debate over deficit spending, Brooks said, "Hopefully, NASA can survive. But that's going to be up to the public to decide what they want .... That's going to be a battle."

### Space exploration funding steadily down now and in the future – prefer our evidence its predictive.

Space Travel.com 6/8/11 NASA Spending Shift to Benefit Centers Focused on Science and Technology http://www.space-travel.com/reports/NASA\_Spending\_Shift\_to\_Benefit\_Centers\_Focused\_on\_Science\_and\_Technology\_999.html

Spending in the Exploration Systems Mission Directorate has been impacted by the cancellation of Constellation and repositioning of exploration policy. But it will hold steady at around $3.9 billion between 2011 and 2016, funds will shift away from human exploration activities at the Johnson Space Center in Texas and the Marshall Space Flight Center in Alabama. The Kennedy Space Center in Florida will escape some of the pain of reduced funding with the development of the new Commercial Crew Development program. However, much of the work will be done by companies spread around the United States, rather than those based at Kennedy, creating an opportunity for new contractors.

### NASA spending down significantly now.

Neil Armstrong, Jim Lovell and Gene Cernan 5/24/11 Column: Is Obama grounding JFK's space legacy? http://www.usatoday.com/news/opinion/forum/2011-05-24-Obama-grounding-JFK-space-legacy\_n.htm?csp=hf

Congress passed an authorization bill directing NASA to begin development of a large rocket capable of carrying humans toward the moon and beyond and to continue development of a multipurpose spacecraft based on the configuration that was being developed in the Constellation program. However, the president's 2012 budget reduced funding significantly below the authorized amount for both the big rocket and the multipurpose crew vehicle. On the other hand, the president's budget had significantly increased funding over the congressional direction in the area of space technology research programs and the development of rockets and spacecraft by the commercial entrepreneurs. Congress stated that rather than depending on NASA subsidies, the development of commercial sources to supply cargo and crew to the International Space Station should be a partnership between government and industry.

### Massive NASA cuts now.

RHIAN 1/17/11 Universe Today Staff Writer [Jason Rhian, NASA Says it Cannot Produce Heavy-Lift Rocket on Time, Budget, <http://www.universetoday.com/82535/nasa-says-it-cannot-produce-heavy-lift-rocket-on-time-budget/>

NASA has sent Congress a report stating that it cannot meet the requirements that it produce a heavy-lift rocket by the current 2016 deadline – or under the current allocated budget. In the NASA Authorization Act of 2010, NASA was directed to develop a heavy-lift rocket in preparation to flights to an asteroid and possibly Mars. NASA said it cannot produce this new rocket despite the fact that the agency would be using so-called “legacy” hardware – components that have been employed in the shuttle program for the past 30 years. NASA would also utilize modern versions of engines used on the massive Saturn V rocket. Now, approximately three months after the act was signed into law, NASA is telling Congress that they can’t build the vehicles that will succeed the shuttle. At least, NASA said, not in the time allotted or for the amount allocated to them. The agency expressed these inadequacies in a 22-page report that was submitted to Congress. In the report, NASA said it “recognizes it has a responsibility to be clear with the Congress and the American taxpayers about our true estimated costs and schedules for developing the SLS and MPCV, and we intend to do so.” “Currently, our SLS (Space Launch System) studies have shown that while cost is not a major discriminator among the design options studied, none of the design options studied thus far appeared to be affordable in our present fiscal condition.” Senators Bill Nelson (D-FL) and Kay Bailey Hutchinson (R-Texas) who helped to draft and pass the NASA Authorization Act said that none of the rationale posted within the report provided justification for NASA not to meet its requirements. Congress has been hoping to shore up any potential failings of the emerging commercial space market by having NASA design, in parallel, a heavy-lift rocket. That way, if these firms don’t produce, the nation has a ‘backup’ in place. NASA has essentially admitted that it cannot accomplish the task set in front of it. Congress might decide to take funds from other areas of the space agency’s budget to fill in the projected shortfall. There have been some suggestions that these funds may come from those intended for Kennedy Space Center (KSC). KSC has already been sent reeling from massive layoffs which are set to continue until the end of the shuttle program. There is no established program set to follow the space shuttle program. Many have tried to compare the gap between shuttle and whatever is to follow to the gap between Apollo and shuttle. But this is a false analogy. At the end of Apollo the next program was established (the space shuttle was approved during the Apollo 16 mission). As the twilight of the shuttle era nears – there no longer is any established program. Under the Vision for Space Exploration, the succeeding program was called Constellation and consisted of a Apollo-like capsule, man-rated rocket the Ares-I (based off a single shuttle solid rocket booster) and a unmanned heavy-lift booster – the Ares-V. While Congress may have signed the directive to produce the new heavy-lift booster into law – they haven’t done as much to pay for it. NASA was supposed to receive $11 billion over the course of the next three years to build both the rocket as well as the Orion spacecraft. Congress is now working to find ways to cut federal spending and NASA could find itself receiving far less than promised.

## No New NASA spending now

### NASA budget tight but stable now – its survival mode.

Clara Moskowitz 4/15/11 – Senior Writer Space.com – “NASA's 2011 Budget Should Allow Flexibility Despite Cuts,” Space.com, http://www.space.com/11411-nasa-2011-budget-cuts-constellation-funding.html)

A new federal spending bill represents a cut to NASA's funding, but a lessening of restrictions on how the agency spends that money for the rest of this year. The new measure is a political compromise between democrats and republicans, and includes significant spending cuts in the 2011 federal budget. NASA will have to make do with about $18.5 billion, putting its budget roughly $240 million below last year's funding level. NASA and the rest of the federal government had been in limbo while lawmakers haggled over the budget. But on Thursday (April 14), Congress passed a spending measure called a continuing resolution that will cover the last five months of the year 2011. The new budget compromise followed a series of stopgap measures Congress had used to fund the government in lieu of agreeing on an official fiscal year 2011 budget. Experts said NASA will likely be able to accomplish most of the plans on the table under the new bill. "NASA will be able to do what it has to do until the next budget," space policy expert Roger Handberg, a political science professor at the University of Central Florida, told SPACE.com. "NASA has been survival mode since last fall when the first continuing resolution was put in place."

### NASA is living within its means now to avoid further cuts.

Clara Moskowitz 4/15/11 – Senior Writer Space.com – “NASA's 2011 Budget Should Allow Flexibility Despite Cuts,” Space.com, http://www.space.com/11411-nasa-2011-budget-cuts-constellation-funding.html)

NASA leaders expressed gratitude that the agency can now move forward fully toward its new direction. "This bill lifts funding restrictions that limited our flexibility to carry out our shared vision for the future," NASA administrator Charles Bolden said in a statement. "With this funding, we will continue to aggressively develop a new heavy lift rocket, multipurpose crew vehicle and commercial capability to transport our astronauts and their supplies on American-made and launched spacecraft." Overall, Bolden admitted the need for spending cuts, and was optimistic that they agency would be able to do a lot with what it's given. "We are committed to living within our means in these tough fiscal times - and we are committed to carrying out our ambitious new plans for exploration and discovery," Bolden said.

## Deficit Reduction Now

### Obama is prioritizing deficit reduction.

Cohn – Senior Editor @ The New Republic – 6/09/11 (Jonathan, “A Pivot to Jobs? Or Not,” The New Republic [blog], 09 June. [Online] http://www.tnr.com/blog/jonathan-cohn/89763/obama-jobs-payroll-tax-holiday-stimulus-deficit)

Are President Obama and his advisers alarmed about the tepid recovery? Are they working feverishly to think up new interventions, the kind that involve increasing short-term deficits, to strengthen it? I would like to think the answer to both questions is "yes." But public signals from the president and his advisers remain ambiguous, while even some of the administration's more well-connected friends are getting nervous about how White House rhetoric is shaping the debate. By now, you've probably heard about the comments that Austan Goolsbee, chairman of the Council of Economic Advisers, made on Sunday’s edition of "This Week." He downplayed the significance of last week's dreary employment report and suggested "government is not the central driver of recovery." In addition, you've probably heard about the Washington Post profile of Tim Geithner. That profile suggested Geithner was now the president's most influential economic adviser and that his emphasis on deficit reduction, over further stimulus, had become the prevailing White House view.

### Obama is committed to short-term spending cuts – Deficit reduction trumps stimulating demand in the status quo.

The Economist – 6/09/11 (“Feeling Confident?” The Economist [Free Exchange blog], 09 June. [Online] http://www.economist.com/blogs/freeexchange/2011/06/fiscal-policy-0)

I'VE been trying to figure out, mainly as a matter of curiosity, whether the administration's pivot to an emphasis on deficit-reduction early last year was a product of genuine economic conviction or political expediency. Certainly Zach Goldfarb's reporting on Tim Geithner suggests that the Treasury secretary was convinced of the benefits of debt-cutting despite the weak economy. Peter Orszag, formerly the head of the White House Office of Management and Budget, was likewise supportive of a bigger emphasis on deficits than on stimulus. Whether or not the move toward austerity was heartfelt, the administration has now embraced the policy choice. At a White House forum on the economy yesterday, I heard from several administration officials who defended the present policy path in no uncertain terms. Austan Goolsbee, outgoing chairman of the Council of Economic Advisers, played down the May employment figure as just one data point and touted administration efforts to support entrepreneurship and facilitate private investment. I asked him whether his comments could be taken as indicating that the administration no longer felt fiscal stimulus could or should be used to support aggregate demand. Not at all, he replied, before talking more about the investment incentives and regulatory initiatives the White House has supported. These were, almost exclusively, supply-side policies. The administration's business-support efforts look like useful steps to me, but they're clearly not designed to provide a direct boost to aggregate demand. The time for that has passed, or so Mr Goolsbee seemed to imply. The comments from Gene Sperling, Director of the National Economic Council and a key member of the team negotiating an agreement on an increase in the debt ceiling, were clearer still. The White House believes, he said, that deficit-cutting is an important component (the emphasis was his) of a growth strategy. And he repeatedly said that deficit-reduction was crucial in generating economic confidence. Confidence—he repeated this word many times. He made clear that the administration isn't being entirely incautious about the risk of fiscal drag on recovery. He pointed out that the White House wanted a 12-year, rather than a 10-year, window for $4 trillion in cuts, so as to reduce their-short term economic burden. He also noted that the administration has fought hard to preserve crucial investment components of domestic discretionary spending, which has been a primary target of Republican congressmen. At the same time, he said it is plain that a deal with the Republicans will involve a "bipartisan downpayment". There will be short-term cuts, despite warnings from Ben Bernanke, Christina Romer, and many others.

## Econ Good now

### The Economy is recovering, but its fragile, 2nd quarter growth will increase.

Seattle Times 7/2/11 http://seattletimes.nwsource.com/html/jontalton/2015465390\_biztaltoncol03.html

The first half of 2011 might charitably be called a growth recession. Gross domestic product slothed along at 1.8 percent in the first quarter and is expected to do little better in the second. The stock market tried and failed to gain pre-downturn highs. Job creation stalled. The consensus calls for a somewhat better second half. Oil prices have moderated, Japan is recovering from the earthquake and its effect on the global supply chain. The Greek fuse on a eurozone detonation has been snuffed out, at least for now. "Investors have interpreted the slowdown as longer lasting," said Chris Sheldon, director of investment strategy at BNY Mellon Wealth Management in Boston. "But we see growth getting back on track in the second half, in the range of 3 percent" increase in GDP. Washington state Chief Economist Arun Raha seconds the motion. "We've been through what I'm calling a soft patch, but the reasons are temporary," he told me last week. "The second half will see stronger growth."

### Economic data improving now.

Bloomberg 7/1/11 Asian Stocks Gain a Second Week on Greek Rescue, U.S. Economic Recovery http://www.bloomberg.com/news/2011-07-02/asian-stocks-gain-a-second-week-on-greek-rescue-u-s-economic-recovery.html

Asian stocks rose, driving the region’s benchmark index up for a second straight week and paring a quarterly decline, amid optimism Greece will avoid default, and signs a U.S. economic recovery is strengthening, boosting prospects for Asian exports and bank earnings. Mitsubishi UFJ Financial Group Inc. (8306), Japan’s largest publicly traded bank, jumped 5.9 percent this week in Tokyo on speculation Greece will avoid a default that might destabilize the region’s banking system. LG Electronics Inc., which gets 30 percent of its revenue in North America, rose 2.8 percent in Seoul. BHP Billiton Ltd. (BHP), the world’s largest mining company and Australia’s No. 1 oil producer, increased 3.4 percent in Sydney as oil and metal prices climbed. “The most negative fears about global growth have been soothed,” said Stephen Halmarick, Sydney-based head of investment markets research at Colonial First State Global Asset Management, which oversees about $150 billion. “Events in the U.S. and Greece were weighing on global growth expectations and risk appetite, but the U.S. data was reasonable and Greece has passed a major hurdle.”

### Status quo slowdown is temporary, but US policy mistakes can shatter confidence before it is rebuilt.

The Economist – 6/16/11 (“Can the Fed talk America out of a slump?” The Economist [Free Exchange blog], 16 June. [Online] http://www.economist.com/blogs/freeexchange/2011/06/americas-economy-3)

AT LOT of American economic writers seem pretty glum about the state of the economy right now, and it's not that hard to understand why. May's employment figure was a big disappointment. Industrial production numbers show a big slowdown in activity over the past month or so. Forecasters are revising their projections for second quarter growth downward; once again, a quarter that was expected to produce a near-4% rate of annual growth may generate a figure closer to 2%. Nervousness has grown in recent days with signs of increasing trouble abroad. European worries have driven equity prices sharply downward this week. The dollar is up, and markets are pouring back into Treasuries. The flight to safety is on. How worried should we be? This week's cover Leader argues that the soft patch is likely temporary, but that there's a risk to policy mistakes in Europe and America. I think that's probably right. It does seem to me that writers are overinternalising the May jobs report (just as they may have overinternalised the strong reports in the prior three months). I think the May report overstated the weakening of the American labour market. Other factors support this interpretation. The latest survey of small businessmen indicates more hiring pessimism there, but surveys of CEOs and temp agencies are much more optimistic. After jumping back up to nearly 500,000 in late April, weekly jobless claim figures have been trending back down in recent weeks. June's jobs number should be better than May's. There are signs, too, that other temporary negative factors are easing. The latest news from Japan suggests that a surge is coming, and manufacturing outfits that were crippled by supply chain disruptions after the earthquake are beginning to get back into the swing of things. Commodity prices have also been dropping. Petrol prices are falling, which will be good for consumer budgets. And the case for a positive second-half contribution from residential investment continues to look better to me. In general, the argument that the present dip below a positive early-year trend is temporary strikes me as compelling. But. The last few days have me a little wary. The significant and simultaneous rise in the dollar, rise in Treasury prices, fall in equities, and fall in commodities tells me that markets are growing concerned about the growth outlook. Understandably; each day we get another series of stories about the mess in Europe, about a slowdown in emerging markets, and about the continuing failure in Washington to agree on an increase in the debt ceiling. Even if the fundamentals are there for a second-half turnaround, a big enough blow to confidence could get households and firms to retreat back into their shells, just as they did last summer. And that could turn a temporary slowdown into a negative trend.

### Economic growth won’t collapse – Decline factors are temporary

MarketWatch 6-1 (Rex Nutting, MarketWatch, “Will the Economic Slump Last?” Wall Street Journal, http://www.marketwatch.com/story/will-the-economic-slump-last-2011-06-01?link=MW\_latest\_news)

Isn’t there anything good to say about the economy? Sure. Many of the factors depressing the economy are temporary: Gasoline prices have been falling for the past month, and businesses are figuring out how to work around the supply disruptions from the tsunami. Household finances are slowly improving, setting the stage for faster domestic growth. Even the optimists are nervous about the next few months. It’s possible that some of the gloomy data reflect excessive caution ahead of several key events: The end of the Federal Reserve’s asset purchases, the resolution of the U.S. debt-ceiling soap opera, the resolution of Europe’s fiscal disaster, and the ability of the developing world to achieve its soft landing. If all of those go well or even just OK, the future might look a little brighter at the end of the summer. And if they don’t? We may look back on this spring with fond memories.

### Job growth, minimal inflation, and low interest rates

Bloomberg 6-1 (Joshua Zumbrun, “Fed’s Pianalto Says U.S. Economy Likely to Grow at 3 Percent Annual Pace,” Bloomberg. June 1, 2011. http://www.bloomberg.com/news/2011-06-01/fed-s-pianalto-says-gradual-economic-recovery-to-continue.html)

Federal Reserve Bank of Cleveland President Sandra Pianalto said she expects the U.S. economic expansion to advance further and that the central bank’s current monetary stimulus is appropriate. “I expect the economy to continue on a gradual recovery pace over the next few years, with annual growth just above 3 percent a year,” Pianalto said today in a speech in Columbus, Ohio. “I believe inflation will be temporarily elevated this year due to developments in oil and food prices, but I expect inflation to fall back below 2 percent in the next couple of years.“Given this outlook, I think that the current accommodative stance of monetary policy, with short-term interest rates close to zero, is appropriate and supports the FOMC’s dual mandate of stable prices and maximum employment,” Pianalto said at the Columbus Metropolitan Club. Chairman Ben S. Bernanke and the Federal Open Market Committee plan this month to complete a $600 billion bond purchase program. At their last meeting in April they said they’ll hold interest rates “exceptionally low” for an “extended period.” They’re considering a policy plan that would follow the end of record monetary stimulus. Pianalto said in response to audience questions that she doesn’t anticipate that the economy will fall into “stagflation,” with simultaneous high unemployment and high inflation because “there has not been a growth in the money supply.” Kept Reserves The Fed has funded its asset purchases by creating bank reserves, and “banks have kept those reserves. They have not put them back into the economy,” she said. The softness in recent economic data is different from the slowdown last year, when Europe’s fiscal crisis damaged business confidence in the U.S., Pianalto said. “This time around even though we are again seeing some softness, we’re not seeing the same reaction on the part of businesses,” she said. Businesses are hiring and “not pulling back,” indicating the “economy is on firmer footing.” The Labor Department will report on June 3 that the economy added 175,000 jobs in May, according to the median of a Bloomberg Survey. The unemployment rate will fall to 8.9 percent from 9 percent in April, according to the survey. More Churning Pianalto cited research from the Cleveland Fed showing that “research reveals that historically, the more dynamism or churn in the job market, the faster the unemployment rate returns to its “trend” rate or “natural” rate, which we believe is between 5.5 and 6 percent.” She said it could take about five years for unemployment to return to that level. “Unfortunately, the rate of churn is not returning as quickly as it has after previous recessions,” she said. Low wage growth was likely to restrain inflation in coming years, Pianalto said. “After a recession, wage increases typically remain low for quite some time,” she said. “This should keep the inflation rate lower because lower wage growth directly implies little rise in the cost of producing goods and providing services.” Regular gasoline at the pump fell 0.5 cent yesterday to $3.775 a gallon, the lowest price since April 10, AAA said on its website. The Fed has said pressures from high commodity prices will have only a “transitory” effect on overall inflation. The Labor Department said overall prices rose 3.2 percent in April from a year earlier and prices excluding food and fuel rose 1.3 percent. The Fed aims for inflation of 2 percent or a bit below. Pianalto said in a March speech that she supports an explicit inflation target of 2 percent.

# Fiscal Discipline Module

## Fiscal Discipline Now

### Fiscal discipline now.

Business Insider 7/1/11 http://www.businessinsider.com/harry-reid-calls-for-fiscal-discipline-2011-7#ixzz1QzsFnIzL

Senate Majority Leader Harry Reid (D-NV) called on Democrats to embrace fiscal discipline once again, in a speech on the Senate floor today. "[It's] time we return to the type of fiscal discipline that democrats brought to Washington in the 90′s when Democrats in the Congress and White House balanced the budget and used the surplus to do what Mr. President? To pay down the debt," he said. Reid's remarks come as Democrats and Republicans face off over lowering the deficit and raising the debt ceiling.

## Link Extension – NASA kills Fiscal D

### NASA cuts are key to fiscal discipline.

Global Times 2-2-10 “US budget deficit to top $1.56 trillion in fiscal year 2010” http://business.globaltimes.cn/world/2010-02/502875\_2.html

Obama said new 2011 budget reflects "serious challenges" facing US and the country must tackle debt to ensure growth. "In the long term, we cannot have sustainable and durable economic growth without getting our fiscal house in order," said Obama. In order to control deficit, the administration proposed a three-year freeze on spending beginning in 2011 for many domestic government agencies excluding security and social safety net programs. It would save ＄250 billion over the next decade by following the spending freeze with caps that would keep increases after 2013 from rising faster than inflation. NASA's mission to return astronauts to the moon would be grounded with the space agency instead getting an additional ＄5.9 billion over five years to encourage private companies to build, launch and operate their own spacecraft for the benefit of NASA and others. NASA would pay the private companies to carry U.S. astronauts.

### Increasing spending on space destroys fiscal responsibility and signals massive deficit spending.

USA Today 4/12/2010 “Trimming budget takes priority over space program” http://www.usatoday.com/news/opinion/letters/2010-04-21-letters21\_ST\_N.htm

Finally, our president seeks to exert a modicum of spending restraint in refusing to approve the entire expensive wish list of NASA, and for his efforts, he finds himself criticized from many quarters. In a time of competing priorities and massive deficit spending, our space program should be one of the first national burdens to be scaled back, as it offers no significant or immediate benefit to the nation. I hope that the president will continue to stand firm in restraining NASA's budget, and I wish he would have exerted fiscal discipline in entitlement programs that he has vastly and unwisely expanded in his brief period in office, prominently including a health care reform plan that despite his assurances is certain to increase, not reduce, the national debt.

## Fiscal Discipline Key Econ

### Economic growth is shaky but will stabilize – fiscal discipline is the biggest risk for collapse

Blinder 3-31 (Alan, professor of economics and public affairs at Princeton, “Handicapping the Economic Recovery,” Wall Street Journal, http://online.wsj.com/article/SB10001424052748704308904576226570362791958.html?mod=googlenews\_wsj)

If you're searching for a metaphor for the U.S. economy right now, think of an athlete who is recovering from serious injuries and must navigate a difficult obstacle course. She's getting into better shape but there are hazards along the way that might keep her from reaching the finish line. Here's my list of the four biggest obstacles to recovery right now—in ascending order of seriousness: • The Japanese disaster: Many people view the physical and human tragedy now afflicting Japan as a serious threat to global recovery. Based on what's known so far, I don't. The horrors unleashed by the earthquake, tsunami and nuclear disaster are very real—and monumental in scale and scope. The human cost is incalculable. And the disaster is already causing some economic disruptions (e.g., to production in Japan and to global supply chains). There will be more. But history teaches us that in well-ordered economies, such events generally prove to be no more than short-term setbacks. And this is Japan we're talking about. Its economy will likely bounce back relatively quickly. • The European sovereign debt crisis: This one is starting to look like a hardy perennial. For about a year, the on-again-off-again fear has been that defaults or restructurings by Greece, Ireland, Portugal and others might impose huge losses on European banks, which are not too healthy anyway, thereby opening a new and scary chapter in the world financial crisis. No one knows what the future might bring, but my guess is that history will prove to be prologue. The nations of the European Union have bickered, dithered and delayed time again. But each time, when push came to shove, they got their act together. We'll likely see more bickering and dithering. But a financial implosion in Europe seems unlikely. The stakes are too high, and disaster is too preventable. (Did someone say that in the summer of 1914?) • The U.S. budget deficit: The unedifying and sometimes irrational political wrangling over our own budget deficit is more worrisome. There are three distinct hazards here. First, the current budget battle might lead to excessively large cuts in federal spending at a time when the economy is still fragile—much like what is happening in the U.K. Frankly, I don't lose any sleep over this one. Gridlock will protect us. Second, failure to agree on a budget for fiscal year 2011—which is already six months old!—could lead to a shutdown of the federal government, as happened in 1995. Again, I'm not too worried about this because any shutdown would be brief, making it a big political event but a small economic one. Besides, the Republican leadership remembers 1995, even if many of the party's freshmen do not. The third hazard, though unlikely, is scarier: Suppose we crash headlong into the national debt ceiling. President Barack Obama and Treasury Secretary Tim Geithner have stated that the debt ceiling must be raised, period. They have both arithmetic and logic on their side. After all, as long as the government runs any budget deficit at all, no matter how small, the national debt rises. But some politicians are impervious to reason. And some Republicans see the debt limit as a weapon to force budgetary changes they seek. It's a dangerous game of political chicken. Games of chicken almost always end with one side or the other (or both) backing off. This one probably will, too. But now and then a game of chicken ends in a crash. What happens if this one does? Some people have raised the specter of default on the national debt. That seems most unlikely, but even talk of default could shake the financial markets. We need to avoid that. Two other ill effects are more plausible. First, investors around the world might start thinking the U.S. has lost its grip, which would not do the dollar or our stock and bond markets any good. Second, since the federal government is now taking in only 57 cents for every dollar that it spends, hitting the debt limit could force an abrupt 43% cut in government spending. That might delight tea partiers, but it would be a serious blow to the American economy. • The oil market: This is the most worrying. When we think about the many conflicts now going on in the Middle East, we think of hopes for democracy, concerns about radical Islamists, our military involvement in Libya and more. But economically, we think only about the supply of oil. So far, the price of oil is up only about $20 a barrel—roughly to $105 from $85 on light crude. But if oil were to shoot up into the $150 range, as it did briefly in the summer of 2008, the world would face a major oil "shock." (It now faces a minor one.) Oil shocks tend to both raise inflation and slow down economic growth. But there's a ray of sunshine even here. Recent research suggests that oil shocks are now less devastating than they once were. Some of the reasons are obvious (for example, we use much less oil, relative to GDP, than we did in the 1970s). Others are speculative (it seems we now adjust to shocks better.) But whatever the reasons, oil shocks since the mid-1980s have had far smaller effects on the U.S. economy than earlier ones did. Even prices of $150 per barrel would not hurt as much as they did in the 1970s and early 1980s. So let's handicap the race. Imagine that each of the first three obstacles has only a 5% chance of derailing the recovery, the last one has a 25% chance, and the four events are independent. That adds up to 40%, leaving the betting odds in favor of our limping-but-determined runner. Still, 60-40 bets leave me uneasy.

### Lack of discipline will destroy the US economy – not about deep cuts. Quotes Princeton Economics Prof

LAURENTI 3/31/11 Recovery Risks, <http://www.mesirowfinancial.com/blog/economics/2011/03/31/alaurenti/recovery-risks/>

Alan Blinder, a former vice chairman of the Federal Reserve and an economics professor at Princeton University, is a highly regarded economist, so it is always worth paying close attention to his ideas. In today’s op-ed in the Wall Street Journal, he suggests that, as far as the U.S. recovery is concerned, we have little to fear from the aftermath of the catastrophe in Japan, the European sovereign debt crisis or the run-up in oil prices. On the other hand, he warns about our budget situation, which carries a variety of risks including 1), cutting too deeply into spending, too soon, or 2), allowing global investors to lose confidence in U.S. debt because of the lack of fiscal discipline.

### Fiscal health key

MAULDIN 5/3/11 Millennium Wave Investments

John Mauldin, Restoring Fiscal Sanity in the United States: A Way Forward, <http://www.fxstreet.com/fundamental/analysis-reports/outside-the-box2/2011/05/03/>

In summary, the truth is that the government has grown too big, promised too much and waited too long to restructure. Our fiscal clock is ticking and time is not working in our favor. The Moment of Truth is rapidly approaching. As it does, let us hope that our elected officials must keep the words of Theodore Roosevelt in mind: “In any moment of decision the best thing you can do is the right thing, the next best thing is the wrong thing, and the worst thing you can do is nothing.” And "We the People" must do our part by insisting on action and by making the price of doing nothing greater than the price of doing something We must insist that our legislators offer specific solutions to defuse our ticking debt bomb in a manner that is economically sensible, socially equitable, culturally acceptable, and politically feasible We need to recognize that improving our fiscal health, just like our physical health, will require some short-term pain for greater long-term gain. The same is true for state and local governments. We'll soon know whether Washington policymakers are up to the challenge and whether they will start focusing more of doing their job than keeping their job. They need to focus first on their country rather than their party. And yes, the President and Congressional leaders from both political parties need to be at the table and everything must be on the table in order to achieve sustainable success. Let's hope they make the right choice this time!

## Fiscal Discipline key -- Investors

### Investors look at America’s fiscal discipline before investing

Reuters 10 (3/16 Glenn Somerville analyst for Reutures “UPDATE 1-U.S. debt at no risk of downgrade-Geithner <http://www.reuters.com/article/2010/03/16/usa-budget-rating-idUSN1622536020100316>)

"What people who look at our country -- credit rating agencies, investors, Americans, what they look at is whether we have the political will to restore gravity to our fiscal position," Geithner said in response to questions at a U.S. House of Representatives Appropriations Committee hearing. Geithner said measures proposed by the Obama administration will "dramatically" lower deficits over the next four to five years as a percentage of total economic output and said Congress should help in controlling spending.

### Investor Confidence critical to economic health

Bohn 10 University of California Santa Barbara (Bohn, Henning, “The Economic Consequences of Rising U.S. Government Debt: Privileges at Risk” Departmental Working Papers, Department of Economics, UCSB, UC Santa Barbara <http://escholarship.org/uc/item/7kz6v3zs>)

The rapidly growing federal government debt has become a concern for policy makers and the public. Yet the U.S. government has seemingly unbounded access to credit at low interest rates. Historically, Treasury yields have been below the growth rate of the economy. The paper examines the ramifications of debt financing at low interest rates. Given the short maturity of U.S. public debt – over $2.5 trillion maturing in 2010 – investor expectations are critical. Excessive debts justify reasonable doubts about solvency and monetary stability and thus undermine a financing strategy built on the perception that U.S. debt is safe. The rapidly growing U.S. government debt has become a concern for policy makers and the public. The ratio of U.S. public debt to GDP has increased from 36.2% in 2007 to 53.0% in 2009. Under current policies, the debt-GDP ratio is likely to reach 70% by 2011 and 90% by 2020.1 What are the consequences of this rising U.S. government debt? The paper will argue that a proper analysis of U.S. debt must account for the U.S. government’s ability to issue debt at interest rates that are on average below the growth rate of the U.S. economy. Evidence suggests that the low interest rates are largely due to perceptions of safety, with a secondary role for liquidity effects. Given the short maturity of U.S. public debt – over $2.5 trillion maturing in 2010 – investor expectations are critical. To refinance its debt, the government must ensure that bond buyers remain firmly convinced of the government’s solvency. Excessive debts justify reasonable doubts about solvency and about inflation. Hence they undermine a financial strategy built on a perception of safety.

# Debt Ceiling Module

## 2NC Debt Ceiling Module

### New spending disrupts the debt ceiling talks, which generates a new economic crisis.

Cohn – Senior Editor @ The New Republic – 6/09/11 (Jonathan, “A Pivot to Jobs? Or Not,” The New Republic [blog], 09 June. [Online] http://www.tnr.com/blog/jonathan-cohn/89763/obama-jobs-payroll-tax-holiday-stimulus-deficit)

Nobody disputes that the political constraints facing the president are real. The Republicans won't pass anything that involves spending, the public largely rejects Keynesian thinking, and bipartisan talks on the debt ceiling could easily break down. More than one political strategist has suggested Obama's best shot at securing a payroll tax cut may be to move slowly and, perhaps, to let somebody else take the lead on it. By contrast, provoking a fight that scuttled debt ceiling talks could spook the markets (for real) or lead to default, either of which could cause a whole new economic crisis.

### NASA budget cuts are a critical part of the debt ceiling budget deal.

Jansen – 6/16/11 (Bart, “Space shuttle pensions strain NASA funding,” Federal Times, 16 June. http://www.federaltimes.com/article/20110616/ACQUISITION03/106160302/)

Pensions for thousands of space shuttle workers threaten to consume a significant chunk of NASA's budget, but Florida lawmakers said Wednesday the costs are a commitment that must be honored. The shuttle program will end within weeks after a final flight of Atlantis. To close a gap in pension funding, President Obama proposed a one-time cost of $548 million out of NASA's $18.7 billion budget for the fiscal year starting Oct. 1. But Congress already cut hundreds of millions of dollars from that total in the current fiscal year and further reductions are possible for next fiscal year. The House Appropriations Committee agreed to cut spending 6 percent in the bill covering NASA, although details among the various agencies must still be negotiated in coming months.

### American default initiates a global economic meltdown.

The Economist – 6/16/11 (“Sticky patch or meltdown?” The Economist, 16 June. [Online] http://www.economist.com/node/18836014?Story\_ID=18836014)

The current battle over raising the federal government’s debt ceiling is driven not by careful consideration of the economics but by ideology and brinkmanship. Democrats refuse to consider serious spending reform. Republicans reject higher taxes. Many tea-party types would rather see America’s government default than compromise on spending. The result is a perilous stand-off—and a growing danger that America will have to make drastic short-term spending cuts, or even find itself forced into a technical default. A parallel dynamic is playing out in the euro zone, where the debate about how to deal with Greece’s debt crisis has descended into a high-stakes stand-off between Germany, which wants the maturities on Greek bonds to be extended, and the ECB, which resists any debt restructuring (see article). The hope is still that Europe’s leaders will come up with a face-saving compromise at their summit on June 23rd-24th. But the longer the confrontation continues, the greater the risk of an accident: a chaotic Greek default and exit from the euro. This dangerous political brinkmanship could also have a damaging effect by creating uncertainty. Companies are currently sitting on piles of cash because they are wondering how strong economic growth will be. Politics gives them more reason to sit on their hands rather than investing and hiring immediately, providing a boost the world economy sorely needs. There is a real risk that the politicians’ pig-headedness could lead to disaster. The odds of a catastrophe—harsh fiscal tightening in America, or a crash in the euro zone—may not be high, but neither are they negligible. Though economic logic suggests that the world economy is just going through a sticky patch, squabbling politicians could all too easily turn it into a meltdown.

## Debt Ceiling – NASA Uniqueness

### Debt takes priority - Obama cutting the NASA budget in the status quo.

Haslett – 6/01/11 (Emma, “Brits Blast Off,” Management Today, 01 June. [Online] http://www.managementtoday.co.uk/features/1071185/brits-blast-off/) Accessed 06.13.11 jfs

Astrium may be one of the UK's largest satellite manufacturers but it is by no means the only one. In fact, the British space industry is enjoying something of a moment. The US may still be the global leader when it comes to space with a 25% market share, but the UK is a significant player too. With only £265m of government subsidy (a teeny 0.44% of the US space budget) it has managed to build up 6% of the global space market. And a glance across the pond suggests there is trouble afoot even there: crippled by its $14trn debt, the Obama administration has taken the unprecedented step of making cuts to the $60bn it ploughs into the industry annually, back-tracking on plans for a manned mission to Mars and retiring Nasa's flagship Space Shuttle programme after more than 20 years on the job.

## Debt Ceiling Default Impact - Econ

### Failure to raise the debt ceiling panics the bond markets, producing financial disaster.

Fernholz – 5/26/11 (Tim, “What, Me Worry? (Part 2),” The National Journal, 26 May. [Online] http://nationaljournal.com/magazine/wall-street-raising-debt-ceiling-is-a-done-deal-right--20110526)

The TARP comparison, however, also highlights the new political and economic challenge. It would be difficult to regain investors’ confidence and erase the economic losses if markets panic during the unexpected failure of a debt-ceiling vote—lobbyists and financial analysts all expect symbolic failed votes that then pave the way to a final resolution. But politicians who experienced the controversial TARP vote, and many new members who won their seats campaigning against “bailouts,” are leery of supporting any bill on the basis of disaster warnings purveyed by Geithner, Bernanke, and Wall Street. A growing number of Republicans are questioning whether reaching the debt limit would be so bad. Without more borrowing to service the debt and to cover operating expenses, government spending would have to be cut by $125 billion each month. It’s a huge gap, and closing it would take essential services off the table. Bond markets, bankers say, would react the same way to a government that can’t pay Social Security checks or defense contractors as it would to a business that couldn’t pay its rent: unkindly. If the government missed a bond payment, both Standard & Poor’s and Moody’s bond-ratings agencies would downgrade U.S. debt from Triple-A, the highest rating, to “selective default,” and economic disaster would likely result. A ratings cut would automatically send Treasury yields sharply higher, in part because institutional investors are routinely required to restrict their holdings of bonds not rated Triple-A. Interest rates for corporate bonds, mortgages, and most other loans, which are all benchmarked against Treasury rates, would shoot up too. If investors truly began to panic, the fallout would be much worse.

## Link - New Spending – Debt Ceiling

### Republicans are demanding deep spending cuts in exchange for raising the debt ceiling – Everything must be on the table.

Goldfarb – 5/15/11 (Zacahry A., “Treasury to tap pensions to help fund government,” The Washington Post, 15 May. [Online] http://www.washingtonpost.com/business/economy/treasury-to-tap-pensions-to-help-fund-government/2011/05/15/AF2fqK4G\_story.html?nav=emailpage)

Many congressional Republicans, however, have been skeptical that breaching the Aug. 2 deadline would be as catastrophic as Geithner suggests. What’s more, Republican leaders are insisting that Congress cut spending by as much as the Obama administration wants to raise the debt limit, without any new taxes. Obama is proposing spending cuts and tax increases to rein in the debt. “Everything should be on the table, except raising taxes,” House Speaker John Boehner (R-Ohio) said on CBS’s “Face the Nation.” “Because raising taxes will hurt our economy and hurt our ability to create jobs in our country.” The Obama administration has warned that it is dangerous to make a vote on raising the debt limit contingent on other proposals. But Boehner is demanding that Congress use the debt vote as a way to bring down government spending. “I’m ready to cut the deal today,” Boehner said. “We don’t have to wait until the 11th hour. But I am not going to walk away from this moment. We have a moment, a window of opportunity to act, because if we don’t act, the markets are going to act for us.”

### New spending independently trades off with raising the debt ceiling

Wingfield 5-10-11 (Kyle, writer – AJC, “Boehner’s smart move on debt ceiling, spending cuts,” 5-10, http://blogs.ajc.com/kyle-wingfield/2011/05/10/boehners-smart-move-on-debt-ceiling-spending-cuts/?cxntfid=blogs\_kyle\_wingfield)

The House Republicans have been setting the terms of the budget debate ever since Rep. Paul Ryan unveiled his “Path to Prosperity,” and now they’ve upped the ante. In a speech in New York City, Speaker John Boehner said any increase in the federal government’s debt limit must be accompanied by even larger spending cuts: Without significant spending cuts and reforms to reduce our debt, there will be no debt limit increase. And the cuts should be greater than the accompanying increase in debt authority the President is given. A few thoughts on why this is good policy and good politics: First, it’s good policy because a “clean bill” to raise the debt ceiling, as the Obama administration wants, would be disastrous policy. Congress has proven that the mere requirement to raise the ceiling is not a sufficient restraint. And it’s become clear that the 2012 budget is not going to produce a grand bargain. If there’s going to be a compromise that begins to apply some semblance of fiscal discipline to Washington, the debt ceiling is the time for it. Second, it’s good policy because a more-cuts-than-new-authority approach is perhaps the only way to put teeth into the restraint side of the compromise. In an editorial, The Wall Street Journal reports that Boehner’s advisers say “those cuts would have to be scored as real by the Congressional Budget Office over a five-year budget window.” This is hardly Draconian: A debt-ceiling increase of $2 trillion through the end of fiscal 2012 — which the White House says is necessary to keep the government running until Oct. 1, 2012 — would mean spending cuts of $2 trillion over five years, or $400 billion a year. In fact, it comes closer to being too weak a proposal given the severity of our debt problem. A $400 billion cut this year could still leave us with an annual budget deficit approaching $1 trillion. Third, it’s good politics because it shows the House GOP learned a thing or two from its negotiations over the budget for the remainder of fiscal 2011. Note the part of the above quote about “scored as real by the Congressional Budget Office.” Republicans got burned when the $38 billion in 2011 budget cuts turned out to be more like $352 million this year — just 1 percent as much as advertised. The cuts can’t consist of programs that were already discontinued or mere reductions from what President Obama has requested for 2012. They need to be taken from real spending levels this year. Fourth, it’s good politics because it’s common sense. Opinion polls (see question 10 in this recent one, for example) show Americans strongly disagree with raising the debt ceiling in the first place. So, raising it at all is an act of compromise with taxpayers. The price of the compromise is a pledge to spend less taxpayer money in the future. It’s kind of like the terms of a loan: If you want to borrow $10,000 today, you have to promise to repay that $10,000 with interest in the future. (Although, as I noted above, the fact that borrowing would remain high means Washington is still acting like the loan shark in this situation.) Finally, it’s good policy and good politics because it sets a precedent in which cutting spending is necessary. That’s good policy because our problem will spiral out of control otherwise. And it’s good politics because, as others have noted before, we need a system in which politicians compete to spend less of our money, not more.

## Debt Default Turns Case – NASA

### Turns the case – Devastates the economy and provokes radical cuts in the NASA budget.

Tankersley – 5/30/11 (Jim, “What, Me Worry? (Part 1),” The National Journal, 30 May. [Online] http://www.nationaljournal.com/magazine/main-street-bigger-problems-than-the-debt-ceiling-20110527)

Make no mistake: If Congress fails to raise the debt limit by August 2, Parkersburg, and towns like it all across the country, will suffer. Once the Treasury runs out of “extraordinary measures,” it has only two options. It can default—meaning, stop paying its creditors around the world. In that case, economists say, prices for Treasury bonds would collapse and interest rates, which move in the opposite direction, would probably soar to record highs. The stock market would almost certainly plunge; mortgage rates would shoot up; and homebuyers and small businesses would have trouble finding loans even if they could afford the sky-high interest rates. The centrist Democratic think tank Third Way estimates that the bond rate increases alone would eliminate nearly 650,000 jobs in the United States. The Treasury Department’s only other option would be to continue paying creditors but stop any other federal spending above what the government collects in taxes. In effect, that option would require an overnight spending cut of about 40 percent. Such a reduction would be more than twice what the government pays for all domestic discretionary programs, and it could affect everything from NASA and the FBI to congressional salaries and White House operating expenses. Reckoned another way, the cuts would add up to more than the combined total of all military spending, including for troops in Afghanistan and Iraq, as well as all Medicare benefits.

## Debt Ceiling Impact – Food Prices

### Debt Ceiling failure collapses the economy and causes food price spikes

Min 10 (David, Associate Director for Financial Markets Policy – Center for American Progress, “The Big Freeze”, 10-28, http://www.americanprogress.org/issues/2010/10/big\_freeze.html)

A freeze on the debt ceiling could erode confidence in U.S. Treasury bonds in a number of ways, creating further and wider panic in financial markets. First, [by causing a disruption in the issuance of Treasury debt, as happened in 1995-96](http://www.gao.gov/archive/1996/ai96130.pdf), a freeze would cause investors to seek alternative financial investments, even perhaps causing a run on Treasurys. Such a run would cause the cost of U.S. debt to soar, putting even more stress on our budget, and the resulting enormous capital flows would likely be highly destabilizing to global financial markets, potentially creating more asset bubbles and busts throughout the world. Second, the massive withdrawal of public spending that would occur would cause significant concern among institutional investors worldwide that the U.S. would swiftly enter a second, very deep, recession, raising concerns about the ability of the United States to repay its debt. Finally, the sheer recklessness of a debt freeze during these tenuous times would signal to already nervous investors that there was a significant amount of political risk, which could cause them to shy away from investing in the United States generally. Taken together, these factors would almost certainly result in a significant increase in the interest rates we currently pay on our national debt, currently just above 2.5 percent for a 10-year Treasury note. If in the near term these rates moved even to 5.9 percent, the long-term rate predicted by the Congressional Budget Office, then our interest payments would increase by more than double, to nearly $600 billion a year. These rates could climb even higher, if investors began to price in a “default risk” into Treasurys—something that reckless actions by Congress could potentially spark—thus greatly exacerbating our budget problems. The U.S. dollar, of course, is the world’s reserve currency in large part because of the depth and liquidity of the U.S. Treasury bond market. If this market is severely disrupted, and investors lost confidence in U.S. Treasurys, then it is unclear where nervous investors might go next. A sharp and swift move by investors out of U.S. Treasury bonds could be highly destabilizing, straining the already delicate global economy. Imagine, for example, if investors moved from sovereign debt into commodities, most of which are priced and traded in dollars. This could have the catastrophic impact of weakening the world’s largest economies while also raising the prices of the basic inputs (such as metals or food) that are necessary for economic growth. In short, a freeze on the debt ceiling would cause our interest payments to spike, making our budget situation even more problematic, while potentially triggering greater global instability—perhaps even a global economic depression.

### Prices spikes kill billions and cause global war

Brown 7 (Lester R., Director – Earth Policy Institute, 3-21, http://www.earth-policy.org/Updates/2007/Update65 .htm)

Urban food protests in response to rising food prices in low and middle income countries, such as Mexico, could lead to political instability that would add to the growing list of failed and failing states. At some point, spreading political instability could disrupt global economic progress. Against this backdrop, Washington is consumed with “ethanol euphoria.” President Bush in his State of the Union address set a production goal for 2017 of 35 billion gallons of alternative fuels, including grain-based and cellulosic ethanol, and liquefied coal.  Given the current difficulties in producing cellulosic ethanol at a competitive cost and given the mounting public opposition to liquefied coal, which is far more carbon-intensive than gasoline, most of the fuel to meet this goal might well have to come from grain. This could take most of the U.S. grain harvest, leaving little grain to meet U.S. needs, much less those of the hundred or so countries that import grain. The stage is now set for direct competition for grain between the 800 million people who own automobiles, and the world’s 2 billion poorest people. The risk is that millions of those on the lower rungs of the global economic ladder will start falling off as higher food prices drop their consumption below the survival level.

## Debt Ceiling Impact – Economy

### Debt failure causes a run on Treasury bonds --- collapsing the global economy

Min 10 (David, Associate Director for Financial Markets Policy – Center for American Progress, “The Big Freeze”, 10-28, http://www.americanprogress.org/issues/2010/10/big\_freeze.html)

By law, a statutory limit restricts the total amount of debt the federal government can accumulate. Only Congress can raise this limit. On the heels of the worst recession since the Great Depression, this “debt ceiling” is projected to be reached sometime early next year. Increasingly, conservatives are pledging to vote against any increases to the debt ceiling—even if this means shutting down the federal government. This reckless pledge would have disastrous consequences for the U.S. economy and the global financial markets, and would severely worsen the long-term budget situation to boot. This conservative pledge has historical antecedents. In the fall of 1995, congressional Republicans refused to raise the debt ceiling for a period of about six months, until they reversed course in March 1996 in response to plummeting poll numbers. This original “debt ceiling crisis,” as it’s become known, was extraordinarily costly, roiling the financial markets and forcing two government shutdowns. The consequences of refusing to raise the debt ceiling would be even more costly today, given the precarious state of the U.S. economy and global financial markets, and potentially could be disastrous. Unlike in 1995, when our economic outlook was good, we are currently fighting our way out of the Great Recession and coming off of the worst financial crisis since the 1930s. Nonetheless, [led by the advice of Newt Gingrich](http://thehill.com/blogs/blog-briefing-room/news/91857-gingrich-government-shutdown-could-happen-over-healthcare-battle), the former House Speaker who was the architect of the 1995-96 debt ceiling crisis, [many conservatives](http://blogs.abcnews.com/politicalpunch/2010/09/republicans-talk-about-government-shut-down-over-spending-white-house-pounces-on-promise-of-gridlock.html) are [clamoring](http://www.washingtonmonthly.com/archives/individual/2010_09/025918.php) for a repeat of this past episode in recklessness. The budgetary consequences of this conservative pledge would be catastrophic and far-reaching, forcing the immediate cessation of more than 40 percent of all federal government activities (excluding only interest payments on the national debt), including Social Security, military operations in Iraq and Afghanistan, homeland security, Medicare, and unemployment insurance. This would not only threaten the safety and economic security of all Americans, but also have dire impacts for the economy and job growth. In short, the economic consequences of such a large and precipitous drop in spending would be crushing, and almost certainly result in a severe drop in economic growth and employment at a time when we can least afford it. Moreover, such a move could lead to a panic in the international financial markets. Following the 2008 financial crisis, we have seen debt crises hit Ireland, Greece, and Italy, with fears that this could spread further and cause a global economic downturn. The financial markets are on edge today, with U.S. Treasury bonds being the safe haven for most investment capital. Refusing to raise the debt ceiling would recklessly disrupt the sale and purchase of new Treasury bonds, and could potentially cause a run on outstanding Treasurys as well, as investors sought other investments. This could have catastrophic consequences for our economy as well as the economic stability of the rest of the world.

### Failure to lift the debt ceiling crushes the economy

Jackson 11 (David, “Obama aide: Refusal to raise debt ceiling would be 'catastrophic'”, The Oval – USA Today, 1-2, http://content.usatoday.com/communities/theoval/post/2011/01/obama-aide-refual-to-raise-debt-ceiling-would-be-catasrophic/1)

The chairman of President Obama's Council of Economic Advisers said today it would be "insanity" for Congress to refuse to lift the nation's debt ceiling and that inaction would be "catastrophic" for the nation's financial recovery. "This is not a game," [CEA Chairman Austan Goolsbee](http://abcnews.go.com/Politics/goolsbee-tea-party-playing-chicken-debt-ceiling-vote/story?id=12522970) told Jake Tapper on ABC's This Week. "The debt ceiling is not something to toy with." Goolsbee also discussed efforts to create jobs and generate economic growth. The debt ceiling discussion begins shortly after the 4:35 mark of the video. The United States is about $400 billion away from hitting the $14.3 trillion debt ceiling, and a congressional vote on whether to raise that limit should come this spring. Some Republicans have called for keeping the ceiling as a way to force cuts in federal spending. Goolsbee said that would lead to a default on U.S. obligations, "which is totally unprecedented in American history." That would create a string of other problems, Goolsbee said: The impact on the economy would be catastrophic. I mean, that would be a worse financial economic crisis than anything we saw in 2008. As I say, that's not a game. I don't see why anybody's talking about playing chicken with the debt ceiling. If we get to the point where you've damaged the full faith and credit of the United States, that would be the first default in history caused purely by insanity ... There would be no reason for us to default, other than that would be some kind of game. We shouldn't even be discussing that. People will get the wrong idea. The United States is not in danger of default ... We do not have problems such as that. This would be lumping us in with a series of countries through history that I don't think we would want to be lumped in with.

# 2NC Earth Science Module

## NASA - Earth Sciences Tradeoff Frontline

### NASA budget is shifting from space to Earth science now. The plan would reverse that trend.

Space Travel.com 6/8/11 NASA Spending Shift to Benefit Centers Focused on Science and Technology http://www.space-travel.com/reports/NASA\_Spending\_Shift\_to\_Benefit\_Centers\_Focused\_on\_Science\_and\_Technology\_999.html

Euroconsult along with the consulting firm Omnis have announced the findings of a study foreseeing a significant shift in NASA spending toward Earth science and R and D programs and away from legacy spaceflight activities. According to the report "NASA Spending Outlook: Trends to 2016," NASA's budget, which will remain flat at around $18.7 billion for the next five years, will also be characterized by significant shifts from space operations to technology development and science. With the shift in budget authority, NASA Centers focused on Earth observation, space technology, and aeronautics will see increases in funding, while those involved in human spaceflight will see major funding reductions. Indeed, the termination of the Space Shuttle program will lead to a budget cut over $1 billion for Space Operations, resulting in a 21% budget cut for the Johnson Space Center. Overall, the agency's budget for R and D will account for about 50% of all NASA spending.

### Earth based NASA projects are key to climate change research.

Space Travel.com 6/8/11 NASA Spending Shift to Benefit Centers Focused on Science and Technology http://www.space-travel.com/reports/NASA\_Spending\_Shift\_to\_Benefit\_Centers\_Focused\_on\_Science\_and\_Technology\_999.html

This shift in NASA's priorities will also affect the agency's contract spending. As large legacy programs end, new research and development programs will be initiated. This turnover of programs should provide many new contracting opportunities over the next five years, especially at Research Centers. The Euroconsult/Omnis report details these changes. "The uniqueness of this report is that it brings together in one picture NASA's budget, spending and contracting, providing insights into opportunities created by the new NASA direction," said Bretton Alexander, Senior Consultant for Omnis. Some of the findings include: Following an 11% increase in 2011, the Science Mission Directorate budget will remain at the $5 billion level through 2016. This increase, however, is entirely within the Earth science theme, reflecting the Administration's priority on climate change research. Goddard Space Flight Center and Langley Research Center, which manage and implement Earth science projects, will thus benefit from this increase as will contractors who develop Earth observation spacecraft and instruments.

### Warming is real and causes extinction

Henderson 2006[Bill, environmental scientist, “Runaway Global Warming Denial.” Countercurrents.org August 19,. [http://www.countercurrents.org/cc-henderson190806.htm](https://webmail.whitman.edu/horde/services/go.php?url=http%3A%2F%2Fwww.countercurrents.org%2Fcc-henderson190806.htm)]

The scientific debate about human induced global warming is over but policy makers - let alone the happily shopping general public - still seem to not understand the scope of the impending tragedy. Global warming isn't just warmer temperatures, heat waves, melting ice and threatened polar bears. Scientific understanding increasingly points to runaway global warming leading to human extinction. If impossibly Draconian security measures are not immediately put in place to keep further emissions of greenhouse gases out of the atmosphere we are looking at the death of billions, the end of civilization as we know it and in all probability the end of man's several million year old existence, along with the extinction of most flora and fauna beloved to man in the world we share.

## NASA - Earth Science Uniqueness

### Budget re-allocation to Earth Science Now.

Space Travel.com 6/8/11 NASA Spending Shift to Benefit Centers Focused on Science and Technology http://www.space-travel.com/reports/NASA\_Spending\_Shift\_to\_Benefit\_Centers\_Focused\_on\_Science\_and\_Technology\_999.html

"Budget allocation across Centers will vary greatly," said Steve Bochinger, President of Euroconsult North America. "As NASA shifts priorities for human spaceflight from Shuttle operations to Human Exploration Capabilities and commercial spaceflight, the budget will be redirected to a range of technology development programs. Likewise, as NASA shifts its science mission focus away from space science to Earth science, the science budget will be redistributed among centers."

## Nasa spending trades off internally

### New NASA spending trades off internally in NASA’s budget.

Space Politics.com 5-18-11 Commercial space advocates sound the alert http://www.spacepolitics.com/2011/05/18/commercial-space-advocates-sound-the-alert/

Advocacy groups, concerned about the effect of potential budget cuts in fiscal year 2012 on NASA’s commercial crew and space technology programs, are rallying support for those programs on Capitol Hill this week. Late yesterday the Space Access Society (SAS) sent out an alert about these programs, asking people to contact their representatives by Friday morning “and ask that they tell the Appropriations Committee that they support full funding for the NASA Commercial Crew and Space Technology programs.” The Space Frontier Foundation also sent our a similar alert last night. Their concern is rooted in the the FY12 appropriations allocations released last week that could result in significant budget cuts for NASA in the coming year. “It’s going to get messy. Any item not strongly defended could be vulnerable,” the SAS alert warns. The alert continues that the leadership of the Commerce, Justice, and Science appropriations subcommittee, whose jurisdiction includes NASA, has decided to ask members of Congress this week what programs they believe should have their funding increased in decreased. A push now for programs like commercial crew and technology development—potentially vulnerable to cuts—could have “a considerable impact” on what the subcommittee decides in its markup in July. Previous lobbying efforts by SAS and others may have already had an effect: the alert notes that the subcommittee “is now definitely aware there’s opposition” to the Space Launch System, which the organization dismisses as an “earmark”.

### NASA will have to make hard decisions about what to fund.

Jeremy Hsu 6/27/11 “Space on a budget balances risk vs. innovation” Sr. Writer at Innovation News Daily <http://www.msnbc.msn.com/id/43555581/ns/technology_and_science-innovation/#>

Finding solutions NASA might provide a bigger budget cushion for both reusing heritage tech and new innovations by making the "hard decisions" about funding only a few missions well, said Dave Bearden, principal director for NASA at the Aerospace Corp. and a member of the panel. "What I see is an equal amount of unreasonable pressure being applied to all mission sets, rather than making really hard choices about what the true priorities are and funding at level of consistency and phasing that makes sense," Bearden said. The U.S. space agency might also consider the time spent on mission reviews and evaluate which reviews actually help prepare a low-risk, effective mission, said Andy Dantzler, a program area manager at the Johns Hopkins Applied Physics Laboratory. Similarly, planetary scientists must make tough choices about how much science they can afford in low-cost missions without endangering the mission's overall chances, said Susan Niebur, a consultant and former Discovery program scientist at NASA Headquarters. She also urged scientists to stay aware of how much risk NASA is willing to accept. "We still are not coming back to the days when we accept that one out of three or four missions fail and we can try again," Niebur said. "We in the community have to read the tea leaves at NASA Headquarters about not only what is risk tolerance now, but also in the future."

# Links

## Link – Space – Deficit Spending

### Space programs cause huge deficit spending

Hsu 9 (Feng, Ph.D. and Senior Fellow – Aerospace Technology Working Group, and Ken Cox, Ph.D. and Founder & Director – Aerospace Technology Working Group, “Sustainable Space Exploration and Space Development - A Unified Strategic Vision”, 2-20, http://www.spaceref.com/news/viewsr.html?pid=30702)

There are limited financial resources from the U.S. government, which is now struggling with unprecedented high budget deficit and is confronted with extremely costly ongoing wars. So it is nearly irresponsible to impose on the nation and its people an Apollo-like, huge spending lunar-based space exploration program. There is neither significant (or short-term) science value nor space exploration and operation value in revisiting an earth-orbit destination that was explored by mankind four decades ago. Given today's decimated American economic condition, we must adapt a concurrent and comprehensive space exploration and space development strategy that is not only affordable but can be mutually supported.

## Link – Space Ex Expensive – Private Cheaper

### NASA is super inefficient – private companies are way cheaper.

Andrew Gasser 5/2/11 A Lesson in Logistics http://www.teainspace.com/lesson-in-logistics/

If you were in charge of the space program, what would you do? How would you do it? What ideas make you perk up and say, “that is what would make the world go wow!” There is clear and substantial evidence that in our current economic situation, NASA is about priority number 21,839 on the list of things to do in congress. Yes, there are hearings and opinion pieces written about what they would do if they could help NASA. But what can NASA do? What can you do? Perception, sadly, is reality. Carefully analyzed, any objective observer can see that something is incredibly wrong with NASA. At this moment, it really does not matter what things are going so wrong for NASA, but why? What: NASA lost billions developing two new rockets. Why: <insert your answer here> Ole Glory Answer 1: NASA was not given enough money to complete Constellation. Really, 11.1 billion is not enough to build a vehicle and rocket for human space flight (HSF)? Answer 2: Government bureaucracy and mission creep killed the rocket. Additional levels of oversight, documentation, and requirements ultimately sank CxP. The answer lies somewhere between number one and number two, with one caveat. If we critically look at NASA and the chain of command along with the lines of communication, it is easy to see nothing gets done quickly. Compare and contrast NASA to any private sector space company. You will find that NASA simply is archaic. There is no flexibility. There is no ability to adapt. There are many GS-14s trying to ensure their existence inside NASA is vital. This costs you and I, the taxpayer, money. NASA rockets are designed in Huntsville Alabama. NASA software is designed and tested in Houston. NASA hardware is designed in Huntsville Alabama but may be built in Michoud Lousiana or Houston or Colorado (it depends). In short, you always need to go somewhere else to get something done. That wastes time and money. Moreover, operating centers has additional sunk costs. In a recent congressional hearing the honorable Marcia L. Fudge raves about the outstanding job Glenn did… building a simulator.

### Its expensive to put anything into space

KAKU 09 professor of theoretical physics at the City University of New York [Michio Kaku, “The Cost of Space Exploration,” July 16, 2009, <http://www.forbes.com/2009/07/16/apollo-moon-landing-anniversary-opinions-contributors-cost-money.html>]

But after 1969, the Soviets dropped out of the race to the moon and, like a cancer, the land war in Asia began to devour the budget. The wind gradually came out of the sails of the space program; the Nielsen ratings for each moon landing began to fall. The last manned mission to the moon was Apollo 17, in 1972. 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.

## Link – Constellation – human exploration

### Human exploration is prohibitively expensive – that’s why it doesn’t get funded now.

Space Politics.com 5/26/11 Did three astronauts miss the point? http://www.spacepolitics.com/2011/05/26/did-three-astronauts-miss-the-point/

The first sentence is correct in that it refers to the endorsement of the Vision for Space Exploration and NASA’s implementation of it in authorization acts passed by Congress with little opposition in 2005 and 2008. The second sentence is also correct: funding originally projected for carrying out the Vision didn’t materialize either in presidential budget requests in later years of the Bush Administration or in the appropriations bills passed by Congress. Yet, they also contradict each other to some degree: if there really was “near-unanimous support” for Constellation, then fully funding it shouldn’t have been a problem, right? What Armstrong, Lovell, and Cernan miss in their op-ed is the current muddled situation regarding human spaceflight is not itself the problem, but instead a symptom of a deeper issue: space simply doesn’t have the same priority as it did 50 years ago, when it served as a proxy battlefield for the Cold War. It’s easy to “support” a program by passing authorization legislation that provides policy direction but doesn’t include funding; backing up that policy with the funding needed to implement has been much more difficult, as recent years have demonstrated. Moreover, it’s not likely to get any easier in the years to come as members of Congress seek to cut federal spending. The challenge today is either to come up with a new compelling rationale for human spaceflight that makes it a higher priority and thus wins support for additional funding, or to find new ways to make do with less.

## Link – SETI

### SETI funding is not a priority now. New funding is bad

Space Daily 4/26/11 ‘US budget cuts mean no more ET monitoring” http://www.spacedaily.com/reports/US\_budget\_cuts\_mean\_no\_more\_ET\_monitoring\_999.html

A monitoring system for potential extraterrestrial communication has been shelved due to budget cuts, one of its partners said Tuesday. With funding dried up, the SETI (Search for Extraterrestrial Intelligence) established in 1984, had to put the Allen Telescope Array (ATA) on an indefinite pause, the institute said in a letter. The telescopes, at the Hat Creek Radio Observatory north of San Francisco, California, had been monitoring for potential messages beyond our planet. "Effective this week, the ATA has been placed in hibernation due to funding shortfalls for operations of the Hat Creek Radio Observatory where the ATA is located," said a letter from Tom Pierson, CEO of SETI Institute. Funding for HCRO had been cut to one tenth its former level, he said, noting that partners were being sought.

## A2: Our Mission is Cheap

### No space mission is cheap and if it is, it fails.

Jeremy Hsu 6/27/11 “Space on a budget balances risk vs. innovation” Sr. Writer at Innovation News Daily <http://www.msnbc.msn.com/id/43555581/ns/technology_and_science-innovation/#>

The risks of heritage Even tried-and-true tech from past missions doesn't always mean a cheap, easy solution for new planetary missions. Older technologies may require modifications that add to the costs, said Carlos Liceaga, an engineer at NASA Langley Research Center who oversees mission proposals. “People get into trouble assuming it will be so easy and that you will reap so much benefit from the cost savings," Liceaga said during the panel. "The technical benefits are not hard to believe, but on cost benefits, they tend to give themselves too much credit, and sometimes that's where we disagree with them." Banerdt also pointed to the case where NASA wanted to reuse the Mars Pathfinder mission's airbag landing system for the Mars rover twins Spirit and Opportunity. The increased mass for the twin rovers' mission caused the landing system to fail during testing, and so engineers scrambled to redesign and retest the system at the last minute. "The problem with pushing a lot of heritage is that usually you're not doing exactly the same thing that your heritage stuff was doing before, so it's going off into what looks like benign territory but what is nonetheless untested territory," Banerdt said in a phone interview. "That's where a lot of heritage tech blows up in your face."

# Impacts

## 2NC Turns the case – NASA funding

### New NASA missions squeeze out tech innovation – this means the plan causes mission failure.

Jeremy Hsu 6/27/11 “Space on a budget balances risk vs. innovation” Sr. Writer at Innovation News Daily <http://www.msnbc.msn.com/id/43555581/ns/technology_and_science-innovation/#>

Tightening NASA budgets in a cost-cutting era means that proposed space exploration missions to asteroids or Mars must make tough choices when it comes to risk versus innovation. Many new mission ideas have tried to keep risks down by relying upon heritage technologies that have flown on past missions. But that also means innovative new technologies may get squeezed out of smaller NASA mission budgets, such as the next $425 million Discovery-class mission that may target Mars, Saturn's moon Titan, or a comet. It's tough to develop and deploy new technology from scratch without the bigger budgets that allow for exhaustive testing, said Bruce Banerdt, a planetary scientist at the Jet Propulsion Laboratory in Pasadena, Calif. His proposed Discovery mission to Mars combines technologies Frankenstein-style from deceased and failed Mars missions.

## Turns the case – Congress backlash NASA

### Independently - Congress will use funding cuts to restrict Obama’s NASA policy options.

Whittington – 5/08/11 (Mark, “White House and Congress Clash Over NASA Funding, Space Cooperation with China,” Yahoo News, 08 May. [Online] http://news.yahoo.com/s/ac/20110508/pl\_ac/8438927\_white\_house\_and\_congress\_clash\_over\_nasa\_funding\_space\_cooperation\_with\_china/print)

Another indication that President Barack Obama's 2012 NASA funding request was in trouble occurred when at a hearing of the House Appropriations commerce, justice, science subcommittee on May 3. White House science czar John Holdren came under some sharp questioning by Rep. Frank Wolf chairman of the subcommittee. The questioning revolved around the belief by Wolf that the administration is short changing the development of a heavy lift launcher and the Orion spacecraft that congress views as vital for the long term human exploration of space. The priorities of the administration include subsidies to commercial space firms, Earth science, and technology development. Wolf also questioned why NASA has not gotten a request for an increase of funding, even though some other science oriented agencies have gotten such requests. According to the account of the hearings on Space News, Wolf did not find Holdren's answers to be satisfactory. That suggests that there will be a renewed clash between the congress and the White House on space policy. The clash is not limited to funding and of space policy priorities. Space News also reports that the following day, on May 4, Holdren told members of the subcommittee that cooperation with China is seen as critical for prospects for long term space exploration, such as to Mars. This, mildly speaking, was not welcome news to members of the subcommittee. The problem is that China is currently ruled by a tyrannical regime that violates the human rights of its own people and is engaged in an imperial drive toward super power status at the expense of the United States. Congress has, in fact, passed a law prohibiting most forms of space and science cooperation with the People's Republic of China. The distrust Congress holds toward the administration where it comes to space policy is palatable. Members of Congress have expressed the view that NASA is slow walking the heavy lift launcher. Many are also pretty sure that the White House is trying to circumnavigate the law and is trying to find ways to cooperate with China despite the law. All of this points to the very real possibility that congress will use the power of the purse to restrict White House space policy options and to impose its own will on the future direction of NASA and space exploration. That this clash is happening at all is a direct result of a series of political blunders made by the administration dating back to the cancellation of the Constellation space exploration program and a lack of leadership on the part of the president.

## Impact – Deficits turn the case NASA

### Huge deficit squeezes NASA funding

Moskowitz 11 (Clara, senior writer – LiveScience “President Obama Freezes NASA's Budget at 2010 Levels,” Space.com, 2-14, 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.

## Impact – Deficits turn Leadership

### Deficits destroy US leadership.

Gale and Orzag – Brookings – 2004 (William G. and Peter R., “American Fiscal Policy: Trends, Effects, and Implications,” December. [PDF Online @] http://www.ifri.org/files/CFE/gale\_orszag2005.pdf)

We categorize the effects of budget deficits into two types. What we here call the “traditional” effects are those described in terms of changes in the usual macroeconomic aggregates, such as consumption, saving, and investment, resulting from the linkages among them as described in any macroeconomics textbook. The “nontraditional” effects include the effects of weakened investor confidence in a country’s economic leadership due to increased deficits, the possible threshold effect of a sudden change in investor perceptions of the sustainability of a country’s deficits, and those effects that go beyond the strictly economic realm, such as the effect of a country’s debtor or creditor status on its international power and influence.

### --Turns heg

Khalilzad 96 (Zalmay, Senior Fellow at Rand, Strategic Appraisal, p.31)

Whether the United States retains its global leadership position will depend in large part on what happens in the United states. One factor that will be key will be the state of the U.S. economy. The United States is unlikely to preserve its military and technological dominance if the U.S. economy declines seriously or if the balance of economic power shifts decisively to another country. In such an environment, the domestic economic and political base for global leadership would diminish, and the United States would probably incrementally withdraw from the world. As the United States weakened, others would try to fill the vacuum. The world is likely then to become multipolar. Therefore, leadership requires a strong U.S. economy.

## Spending Tradeoff Turns Privatization

### New NASA spending tradesoff with new commercialization projects.

Florida Today 7/1/11 Inspector general: NASA faces 'multiple challenges and risks'

http://www.floridatoday.com/article/20110701/BREAKINGNEWS/110701004/Inspector-general-NASA-faces-multiple-challenges-risks-

Inspector General Paul Martin warned that “NASA faces multiple challenges and risks” as it becomes a full-fledged transportation program. Concerns include: Verifying that private rocket companies have met the agency’s health, engineering and safety requirements to carry people. Finalizing a strategy for funding rocket development, expected this summer, so costs don’t rise prohibitively. President Barack Obama and Congress have agreed to support development of commercial rockets as the most cost-effective way to reach the space station, while also backing NASA’s development of a heavy-lift rocket capable of reaching Mars. But the debate over spending priorities remains contentious. Obama wants to spend more developing commercial rockets than Congress wants to spend, and key lawmakers want to spend more on a heavy-lift rocket than Obama would like. NASA awarded $50 million in 2009 to encourage commercial development. In April, the agency announced another $269.3 million for such projects.

## NASA trades off with social Spending

### Spending on NASA trades off – keeps basic funding from other programs

YOST 10 Staff Columnist for The Tech – MIT Paper [Keith Yost, Volume 130 >> Issue 18 : Friday, April 9, 2010, Opinion: Should we cut NASA funding?, Point: Spaceman, go home. The U.S. should reduce spending on space exploration.]

With apologies to Dwight Eisenhower, the cost of one modern space shuttle is this: one and a half million lives lost for wont of anti-malarial bed nets. It is electricity to power a U.S. city of two million people for a year. It is nine-hundred billion gallons of fresh drinking water produced by desalination. We pay for a single shuttle launch with fifty million bushels of wheat. We house a handful of men in space with a year’s worth of housing for more than ten million U.S. citizens. NASA is not just spending money. It is spending the sweat of our laborers, the genius of our scientists, the hopes of our children. This is not a way of life at all, in any true sense. Under the clouds of this space-industrial complex, it is humanity hanging from a cross of iron. Proponents claim that on its route to the stars, NASA has completed research that has benefited the rest of mankind. It is true, NASA research has led to many discoveries: Besides its many advances in satellites and computing, NASA can also claim credit for a host of more mundane things — quartz timing crystals, bar-code scanners, smoke detectors, cordless screwdrivers, and velcro. But let us not deceive ourselves into thinking that all of NASA’s budget can be recompensed by the occasional spin-offs from its R&D program. Let us not buy into the delusion that all of the low-hanging fruit that NASA has picked over the years would have gone undiscovered forever, or that we would never have achieved satellites without luxuries such as the Apollo missions. Not only is it the case that research is a small component of NASA’s activities, but it should also be self-evident that had NASA’s budget been applied directly to the betterment of humanity, the direct gains of that spending would have outweighed the tangential gains from the occasional cross-utilization of space technology here on earth. Think about it this way: MIT, from a mixture of tuition, government funding, and endowment payouts, spends $2.5 billion to keep itself running. NASA costs more than $17 billion. Over the past four decades, instead of NASA, we could have had at least six additional MIT’s. Consider all of the research that our single MIT has produced during that period, all of the students taught and leadership provided. For all the gains that NASA has made, its opportunity costs are far greater. Something does not need to be a 100 percent complete and total waste in order to call it wasteful. Even the most hard-hearted of critics must admit that the organization has chalked up many victories in the fight to improve the world. But humanity deserves more than just the scraps of NASA’s occasional research. Humanity deserves better than the continuation of an ill-advised space race with a geopolitical enemy that disappeared nearly two decades ago. Humanity deserves our full and undivided attention — no more playing golf on the moon or entertaining fanciful notions of putting men on Mars. Feeding and clothing people might not be as sexy as space exploration, but in the broader picture it is a just and nobler goal. Mr. Levinger argues that NASA is small potatoes, a mere drop in the bucket compared to, say, spending on the military. But just because NASA is a small waste, or a waste among many, does not mean it isn’t waste, or that it should be ignored. Nothing should be given a free pass. For every dollar spent, we should consider the human cost. That sounds melodramatic, but it is hard not to sound melodramatic when a billion people live on less than a dollar per day. When you have to make choices between food, water, and shelter, considering the human cost of a dollar isn’t melodramatic — it’s routine. Mr. Levinger may not see a direct connection between our society spending resources in one area, and going without in another, but to those who understand the functioning of the free market, the connection is clear. An engineer who works for NASA developing zero-g fluid pumps is not an engineer developing water pumps for rural Africa. A tax dollar taken to purchase a bolt is a dollar not given through charity to buy food for a hungry child. The slightest of upticks in the price of aluminum for a shuttle wing shifts millions of dollars of investment across the world. The fungibility is not perfect, and Mr. Levinger is right to point this out. But a NASA dollar does not come directly out of the world’s budget for candy and cosmetics either. The more poetic among us say that NASA has given millions hope, that it is a symbol of the ingenuity and ambition of the human race. Mr. Levinger himself thinks of it as “heroic.” I disagree. Why should it be the case that investing in space travel is more inspiring than spending that money on the poorest of our fellow man? Doesn’t such an obsession with space imply not that we are an ambitious race, but instead that we doubt the goodness of human nature? Doesn’t it suggest that we are so convinced of our inevitable self-destruction that we would rather fling ourselves into the hostile unknown than risk submitting ourselves to the cruelties of our fellow man? Where others see an adventurer’s spirit, I see existential worry and cowardly desperation. Every thruster that is made, every spaceship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed. Rather than gambling on the stars, why not inspire our children by investing in ourselves, by committing to the belief that human life on Earth is sustainable, by devoting new resources to overcome the problems that we face?

## Impact – Deficits – Dollar

### Deficit spending collapses dollar hegemony

Lewis 5-3 (Katherine, writer for the fiscal times, “National Debt: Budget Turmoil Slams Treasurys”, http://www.thefiscaltimes.com/Articles/2011/05/03/National-Debt-Budget-Turmoil-Slams-Treasuries.aspx?p=1)

If global investors start to shun U.S. debt as a safe haven — and the dollar as the world’s reserve currency — the federal government will face difficulty continuing to fund operations with trillions of dollars in debt. Rising interest rates would also cause borrowing costs to skyrocket and adversely impact other portions of the federal budget. During the fourth quarter of 2010, U.S. households, the financial sector and foreign investors purchased Treasury securities worth nearly $300 billion less than the average purchases of the previous three quarters, according to an analysis of Federal Reserve data by Société Generale. China, the single biggest Treasury investor with just under 26 percent of U.S. debt, is shifting some of its Treasury investment to commodities and capital investment outside the U.S. In January, China reduced its portfolio by $5.4 billion to $1.15 trillion, according to data released by the Treasury Department.

### Dollar collapse causes nuclear war

Porter 6 ([Dave](http://www.blueoregon.com) , Director of Business Development-Structures at General Dynamics, “Oregon Steel”, Blue Oregon, 12-8, http://www.blueoregon.com/2006/12/ff\_oregon\_steel.html)

There could be a soft landing or a domestic and international disaster. As Clyde Prestowitz in ["Three Billion New Capitalists: The Great Shift of Wealth and Power to the East"](http://www.blueoregon.com/2006/12/:/www.pbs.org/newshour/bb/economy/july-dec05/prestowitz_8-15.html) writes: "The nightmare scenario - an economic 9/11 - is a sudden, massive sell-off of dollars; a world financial panic whose trigger might be as minor, relatively speaking, as the assassination of a second-rate archduke in a third-rate European city. A collapse of the dollar and its consequent abandonment as the world's reserve currency would create a deep recession in the United States. Gas and fuel prices would soar, anything imported would suddenly become much more expensive, interest rates would jump, as would unemployment. The "stagflation" of the 1970's - slow growth and high unemployment combined with double-digit interest rates-would look like a walk in the park. And since the United States is at present the world's only major net importer, all of the exporters that depend on it for their economic stability would suffer severely as well. It's the thought of these consequences that make the big dollar holders so nervous, and makes them, for now, hold on to their excess dollars." Our economy has been totally mismanged and it's scary. And beyond the worldwide economic ruin, international cooperation would break down and wars would erupt. Peoples around the world would be so vulnerable and angry that they would blame and envy their neighbors. I am particularly concerned about China-US relations during the rest of the 21st century. Both countries would be under severe stress in such a scenario. **Nuclear exchanges would not be impossible**. As I have argued in our proposal ["Developing the China Connection through Educational Programs,"](http://www.dennisrichardson.org/pdf/OBPchineseproposal.pdf) we need to give our children the skills to get through such a crisis.

### Dollar collapse obliterates U.S. global leadership

Taylor 5 (Jay, Editor – Gold & Technology Stocks, Gold Digest, 1-21,

http://www.gold-eagle.com/gold\_digest\_05/taylor012105.html)

Given my views that we are inevitably headed toward a deflationary cleansing of the excesses of the market, I have always had a sense that at some point the dollar would show surprising strength. But given the U.S. addiction to foreign capital, I have come more recently to believe that avoiding a major collapse of the U.S. dollar is a policy that must be maintained at virtually all costs. It is a well-documented fact that we Americans have enjoyed a consumption spree beyond belief because of low interest rates made possible by foreigners reinvesting their export earnings in the U.S. What fewer people have focused on, however, is the really big reason why the U.S. cannot afford to let the dollar fall too far, even if defending it means a collapse of the U.S. housing and equity market and an evolution into the Kondratieff winter depression. The survival of an American empire that can send its military into foreign lands to secure sources of oil, secure trade routes, and intimidate foreign leaders into "playing ball" requires that the dollar remain the world's reserve currency. Nothing is more important to the survival of U.S. superpower status than the dollar remaining as the world’s reserve currency.

## Impact – Deficits – Poverty

### Fiscal problems hit the poor first

Messmore 5/23/11 the William E. Simon fellow in Religion and a Free Society at The Heritage Foundation Ryan Messmore, Moral Principles and the Budget Debate, <http://blog.heritage.org/2011/05/23/moral-principles-and-the-budget-debate/>

For example, Ryan noted that if the U.S. government continues to drive up the deficit through reckless spending, “the weakest will be hit three times over: by rising costs, by drastic cuts to programs they rely on, and by the collapse of individual support for charities that help the hungry, the homeless, the sick, refugees and others in need.” The failure of many European nations to address their financial crises has led to “drastic cuts in benefits to the retired, the sick, the poor, and millions of public employees.”

## Impact – Econ Decline Turns Leadership

### Economic downturn causes isolationism and nuclear war

Friedberg (Professor of Politics and IR @ Princeton) and Schoenfeld – 2008 (Visiting Scholar @ the Witherspoon Institute) (Aaron and Gabriel, “The Dangers of a Diminished America,” Wall Street Journal, 21 October. [Online] <http://online.wsj.com/article/SB122455074012352571.html/>) Accessed 06.17.11 jfs

One immediate implication of the crisis that began on Wall Street and spread across the world is that the primary instruments of U.S. foreign policy will be crimped. The next president will face an entirely new and adverse fiscal position. Estimates of this year's federal budget deficit already show that it has jumped $237 billion from last year, to $407 billion. With families and businesses hurting, there will be calls for various and expensive domestic relief programs. In the face of this onrushing river of red ink, both Barack Obama and John McCain have been reluctant to lay out what portions of their programmatic wish list they might defer or delete. Only Joe Biden has suggested a possible reduction -- foreign aid. This would be one of the few popular cuts, but in budgetary terms it is a mere grain of sand. Still, Sen. Biden's comment hints at where we may be headed: toward a major reduction in America's world role, and perhaps even a new era of financially-induced isolationism.  Pressures to cut defense spending, and to dodge the cost of waging two wars, already intense before this crisis, are likely to mount. Despite the success of the surge, the war in Iraq remains deeply unpopular. Precipitous withdrawal -- attractive to a sizable swath of the electorate before the financial implosion -- might well become even more popular with annual war bills running in the hundreds of billions.  Protectionist sentiments are sure to grow stronger as jobs disappear in the coming slowdown. Even before our current woes, calls to save jobs by restricting imports had begun to gather support among many Democrats and some Republicans. In a prolonged recession, gale-force winds of protectionism will blow.  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.  The aftershocks of the financial crisis will almost certainly rock our principal strategic competitors even harder than they will rock us. The dramatic free fall of the Russian stock market has demonstrated the fragility of a state whose economic performance hinges on high oil prices, now driven down by the global slowdown. China is perhaps even more fragile, its economic growth depending heavily on foreign investment and access to foreign markets. Both will now be constricted, inflicting economic pain and perhaps even sparking unrest in a country where political legitimacy rests on progress in the long march to prosperity.  None of this is good news if the authoritarian leaders of these countries seek to divert attention from internal travails with external adventures.

## Impact – Econ Decline Turns China

### --Turns US/China cooperation and war

Mead 9 (Walter Russell, Henry A. Kissinger Senior Fellow in U.S. Foreign Policy – Council on Foreign Relations, “Only Makes You Stronger”, The New Republic, 2-4, http://www.tnr.com/politics/story.html?id=571cbbb9-2887-4d81-8542-92e83915f5f8&p=2)

The greatest danger both to U.S.-China relations and to American power itself is probably not that China will rise too far, too fast; it is that the current crisis might end China's growth miracle. In the worst-case scenario, the turmoil in the international economy will plunge China into a major economic downturn. The Chinese financial system will implode as loans to both state and private enterprises go bad. Millions or even tens of millions of Chinese will be unemployed in a country without an effective social safety net. The collapse of asset bubbles in the stock and property markets will wipe out the savings of a generation of the Chinese middle class. The political consequences could include dangerous unrest--and a bitter climate of anti-foreign feeling that blames others for China's woes. (Think of **Weimar Germany**, when both Nazi and communist politicians blamed the West for Germany's economic travails.) Worse, instability could lead to a vicious cycle, as nervous investors moved their money out of the country, further slowing growth and, in turn, fomenting ever-greater bitterness. Thanks to a generation of rapid economic growth, China has so far been able to manage the stresses and conflicts of modernization and change; nobody knows what will happen if the growth stops. India's future is also a question. Support for global integration is a fairly recent development in India, and many serious Indians remain skeptical of it. While India's 60-year-old democratic system has resisted many shocks, a deep economic recession in a country where mass poverty and even hunger are still major concerns could undermine political order, long-term growth, and India's attitude toward the United States and global economic integration. The violent Naxalite insurrection plaguing a significant swath of the country could get worse; religious extremism among both Hindus and Muslims could further polarize Indian politics; and India's economic miracle could be nipped in the bud. If current market turmoil seriously damaged the performance and prospects of India and China, the current crisis could join the Great Depression in the list of economic events that changed history, even if the recessions in the West are relatively short and mild. The United States should stand ready to assist Chinese and Indian financial authorities on an emergency basis--and work very hard to help both countries escape or at least weather any economic downturn. It may test the political will of the Obama administration, but the United States must avoid a protectionist response to the economic slowdown. U.S. moves to limit market access for Chinese and Indian producers could poison relations for years. **For billions** of people **in nuclear-armed countries** to emerge from this crisis believing either that the United States was indifferent to their well-being or that it had profited from their distress could damage U.S. foreign policy far more severely than any mistake made by George W. Bush. It's not just the great powers whose trajectories have been affected by the crash. Lesser powers like Saudi Arabia and Iran also face new constraints. The crisis has strengthened the U.S. position in the Middle East as falling oil prices reduce Iranian influence and increase the dependence of the oil sheikdoms on U.S. protection. Success in Iraq--however late, however undeserved, however limited--had already improved the Obama administration's prospects for addressing regional crises. Now, the collapse in oil prices has put the Iranian regime on the defensive. The annual inflation rate rose above 29 percent last September, up from about 17 percent in 2007, according to Iran's Bank Markazi. Economists forecast that Iran's real GDP growth will drop markedly in the coming months as stagnating oil revenues and the continued global economic downturn force the government to rein in its expansionary fiscal policy. All this has weakened Ahmadinejad at home and Iran abroad. Iranian officials must balance the relative merits of support for allies like Hamas, Hezbollah, and Syria against domestic needs, while international sanctions and other diplomatic sticks have been made more painful and Western carrots (like trade opportunities) have become more attractive. Meanwhile, Saudi Arabia and other oil states have become more dependent on the United States for protection against Iran, and they have fewer resources to fund religious extremism as they use diminished oil revenues to support basic domestic spending and development goals. None of this makes the Middle East an easy target for U.S. diplomacy, but thanks in part to the economic crisis, the incoming administration has the chance to try some new ideas and to enter negotiations with Iran (and Syria) from a position of enhanced strength. Every crisis is different, but there seem to be reasons why, over time, financial crises on balance reinforce rather than undermine the world position of the leading capitalist countries. Since capitalism first emerged in early modern Europe, the ability to exploit the advantages of rapid economic development has been a key factor in international competition. Countries that can encourage--or at least allow and sustain--the change, dislocation, upheaval, and pain that capitalism often involves, while providing their tumultuous market societies with appropriate regulatory and legal frameworks, grow swiftly. They produce cutting-edge technologies that translate into military and economic power. They are able to invest in education, making their workforces ever more productive. They typically develop liberal political institutions and cultural norms that value, or at least tolerate, dissent and that allow people of different political and religious viewpoints to collaborate on a vast social project of modernization--and to maintain political stability in the face of accelerating social and economic change. The vast productive capacity of leading capitalist powers gives them the ability to project influence around the world and, to some degree, to remake the world to suit their own interests and preferences. This is what the United Kingdom and the United States have done in past centuries, and what other capitalist powers like France, Germany, and Japan have done to a lesser extent. In these countries, the social forces that support the idea of a competitive market economy within an appropriately liberal legal and political framework are relatively strong. But, in many other countries where capitalism rubs people the wrong way, this is not the case. On either side of the Atlantic, for example, the Latin world is often drawn to anti-capitalist movements and rulers on both the right and the left. Russia, too, has never really taken to capitalism and liberal society--whether during the time of the czars, the commissars, or the post-cold war leaders who so signally failed to build a stable, open system of liberal democratic capitalism even as many former Warsaw Pact nations were making rapid transitions. Partly as a result of these internal cultural pressures, and partly because, in much of the world, capitalism has appeared as an unwelcome interloper, imposed by foreign forces and shaped to fit foreign rather than domestic interests and preferences, many countries are only half-heartedly capitalist. When crisis strikes, they are quick to decide that capitalism is a failure and look for alternatives. So far, such half-hearted experiments not only have failed to work; they have left the societies that have tried them in a progressively worse position, farther behind the front-runners as time goes by. Argentina has lost ground to Chile; Russian development has fallen farther behind that of the Baltic states and Central Europe. Frequently, the crisis has weakened the power of the merchants, industrialists, financiers, and professionals who want to develop a liberal capitalist society integrated into the world. Crisis can also strengthen the hand of religious extremists, populist radicals, or authoritarian traditionalists who are determined to resist liberal capitalist society for a variety of reasons. Meanwhile, the companies and banks based in these societies are often less established and more vulnerable to the consequences of a financial crisis than more established firms in wealthier societies. As a result, developing countries and countries where capitalism has relatively recent and shallow roots tend to suffer greater economic and political damage when crisis strikes--as, inevitably, it does. And, consequently, financial crises often reinforce rather than challenge the global distribution of power and wealth. This may be happening yet again. None of which means that we can just sit back and enjoy the recession. History may suggest that financial crises actually help capitalist great powers maintain their leads--but it has other, less reassuring messages as well. If financial crises have been a normal part of life during the 300-year rise of the liberal capitalist system under the Anglophone powers, so has war. The wars of the League of Augsburg and the Spanish Succession; the Seven Years War; the American Revolution; the Napoleonic Wars; the two World Wars; the cold war: The list of wars is almost as long as the list of financial crises. **Bad economic times** can **breed wars**. Europe was a pretty peaceful place in 1928, but the Depression poisoned German public opinion and helped bring Adolf Hitler to power. If the current crisis turns into a depression, what rough beasts might start slouching toward **Moscow**, **Karachi**, **Beijing**, or **New Delhi** to be born? The United States may not, yet, decline, but, if we can't get the world economy back on track, **we may** still **have to fight**.

## A2: Econ Resilient

### The global economy is not resilient – US deficits risk a global slowdown.

World Economic Forum, 2006 (“The Changing Economic Landscape,” Annual Meeting Report for 2006, January. [Online http://www.weforum.org/pdf/summitreports/am2006/changing.htm)

Given US influence on the global economy, its current account deficit of 5.7% of GDP in 2004 or US$ 666 billion, continues to concern policy-makers in Washington DC and abroad. China’s economy is still too small to counter a possible US slowdown, and Europe and Japan, while perhaps improving, are currently too slow growing to drive the global economy forward. Moreover, the major economies are struggling to keep fiscal promises as their pension and healthcare bills grow. Inequities in trade and increased competition for natural resources mean risk is rising – especially to the environment. While the world economy has proven resilient enough to absorb a sustained US$ 60 a barrel for oil, participants were quick to agree, if prices rise further and stay high, the effects will hurt. The global economy is beset with inefficiencies and imbalances that threaten to derail growth and halt efforts to bring prosperity to the world’s poorest corners. US deficits and yawning Asian surpluses, inequities in trade and the increasingly heated race for natural resources pose risks.

## A2: Econ Decline doesn’t case war

### Economic decline causes war – studies prove

Royal 10 (Jedediah, 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 stales. Research in this vein has been considered at systemic, dyadic and national levels. Several notable contributions follow. First, on the systemic level. Pollins (20081 advances Modclski 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. 19SJ) that leads to uncertainty about power balances, increasing the risk of miscalculation (Fcaron. 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 arc 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. Mom berg and Hess (2002) find a strong correlation between internal conflict and external conflict, particularly during periods of economic downturn. They write. The linkage, between internal and external conflict and prosperity are strong and mutually reinforcing. Economic conflict lends 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 (Hlomhen? & Hess. 2(102. p. X9> Economic decline has also been linked with an increase in the likelihood of terrorism (Blombcrg. Hess. & Wee ra pan a, 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, sitting governments have increased incentives to fabricate external military conflicts to create a 'rally around the flag' effect. Wang (1996), DcRoucn (1995), and Blombcrg. Hess, and Thacker (2006) find supporting evidence showing that economic decline and use of force arc at least indirecti) correlated. Gelpi (1997). Miller (1999). and Kisangani and Pickering (2009) suggest that Ihe tendency towards diversionary tactics arc 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 lo an increase in the use of force. In summary, rcccni 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 al systemic, dyadic and national levels.' This implied connection between integration, crises and armed conflict has not featured prominently in the economic-security debate and deserves more attention.

## US key to Global Economy

### US is key to global economic growth

Mead 4 (Walter Russell, Senior Fellow at the Council on Foreign Relations, Foreign Policy, April 1, pg. Lexis)

Similarly, in the last 60 years, as foreigners have acquired a greater value in the United States--government and private bonds, direct and portfolio private investments--more and more of them have acquired an interest in maintaining the strength of the U.S.-led system. A collapse of the U.S. economy and the ruin of the dollar would do more than dent the prosperity of the United States. Without their best customer, countries including China and Japan would fall into depressions. The financial strength of every country would be severely shaken should the United States collapse. Under those circumstances, debt becomes a strength, not a weakness, and other countries fear to break with the United States because they need its market and own its securities. Of course, pressed too far, a large national debt can turn from a source of strength to a crippling liability, and the United States must continue to justify other countries' faith by maintaining its long-term record of meeting its financial obligations. But, like Samson in the temple of the Philistines, a collapsing U.S. economy would inflict enormous, unacceptable damage on the rest of the world. That is sticky power with a vengeance. THE SUM OF ALL POWERS? The United States' global economic might is therefore not simply, to use Nye's formulations, hard power that compels others or soft power that attracts the rest of the world. Certainly, the U.S. economic system provides the United States with the prosperity needed to underwrite its security strategy, but it also encourages other countries to accept U.S. leadership. U.S. economic might is sticky power.

# Aff

## N/U – Deficit Spending Now

### Deficit spending is high and inevitable – Democrats refuse any cuts

WNR 11 (Wheeling News Register, “Liberals Blocking Any Fiscal Control,” 6-1, http://www.news-register.net/page/content.detail/id/555717/Liberals-Blocking-Any-Fiscal-Control.html?nav=511)

Liberals in the U.S. Senate have made it clear they will not under any circumstances consider even baby steps toward reining in the federal spending spree. Various proposals to reduce deficit spending - not eliminate it - have been made during the past year. The most recent one, approved by the House of Representatives, was put forth by U.S. Rep. Paul Ryan, R-Wis. But that proposal was rejected in the Senate, which remains under the tight-fisted control of liberal Democrats. Still, the Ryan plan remains in play, to the point liberals have made it their primary target. During the weekend, Sen. Charles Schumer, D-N.Y., stressed the Ryan plan is unacceptable to liberals. "We will oppose (Republicans) in the budget negotiations if they don't abandon Ryan," he vowed. Consider just what it is Schumer and company are rejecting: Under current policies, the government would engage in $9.5 trillion in deficit spending during the next 10 years. That is on top of the current $14.3 trillion national debt. Ryan's plan would curb just $4 trillion of that 10-year deficit - less than half. The liberals won't even agree to that. Clearly, they have chosen to draw a line in the sand - in red ink.

## Spending Inevitable

### Won’t stop spending now

SATTERFIELD 4/28/11 Terry Satterfield, Politicians can't cut spending, <http://www.marionstar.com/article/BF/20110428/OPINION02/104280348/Politicians-can-t-cut-spending?odyssey=nav|head>

In the 18th century, as democratic ideals were taking hold both on this content and in Europe, it was observed that a democracy can exist only until its citizens discover that they can vote themselves access to the public treasury. While we don't know for certain who originally made this observation, he or she might have added a parallel: When politicians discover that they can buy votes through uncontrolled spending, economic collapse is assured. Recently, we were told that Congress and the president had agreed to "the largest spending cut in American history." The reality, however, is that the agreement did very little. As reported by several financial news sources, a large portion of what is being called "cuts" was merely creative budget manipulation. (For example, unspent money from the 2010 census was included as a "cut" even though, given that the 2010 census is now complete, that money would not have been spent anyway.) David Wyss, chief economist at Standard & Poor's in New York, stated that the "cuts" amount to "no more than a rounding error in this year's deficit." David Stockham, Director of the Office of Management and Budget during the Reagan administration, after observing this latest round of political shenanigans, referred to Congressional committees responsible for budget appropriations as "cesspools of deceit." Yet, as we head toward 2012, we will be inundated with political ads proclaiming a new era of fiscal responsibility. Republicans will tell us that they engineered this "largest spending cut," and democrats, of course, will claim to have a master plan that will both cut spending and increase government's ability to meet our every need. In short, we will be lied to by both sides. The reality is far too frightening for any career politician to acknowledge. Our nation borrows $6 billion per day. In 2010, government spending on entitlement programs alone exceeded total tax revenue. Today, one in six Americans receives money directly from the treasury. Every conceivable want and need of the masses is assumed to be government's responsibility. And, in the pursuit of votes, politicians have been only too willing to take it all on. Of course, we can't place the blame entirely on Congress. Polls consistently show that while Americans are for "spending cuts" generally, they are unwilling to target specific programs. So even while we recognize that our government is out of control, we are unwilling to curtail our own access to its treasury. The president, of course, espouses increased taxes as the answer to our problems. Unfortunately, Congress has proven over and over that it cannot control itself when presented with increased tax revenue. A widely publicized study completed by economists at Ohio University showed that, since the 1940s, for every dollar Washington received due to a tax increase, it increased spending by $1.24. Make no mistake; this Congress -- Democrats and Republicans alike -- will do exactly the same with any new tax revenue. Career politicians cannot and will not curtail spending. Funding government programs is the means by which they buy votes in order to remain in power. Next year, as political ads showing everything from hungry children to needy seniors flow across our TV screens, it won't take a PR genius to recognize that proposing specific, meaningful cuts is simply not an option. So, we must endure another round of oxymoronic campaign speeches ("I want to reign in the deficit and increase funding for education!") and nonsensical attacks ("My opponent doesn't care about the deficit and she cut programs for our senior citizens!").

## N/U - NASA spending now

### Massive Pensions cause NASA spending now.

New York Times 6/15/11 “Shuttle’s End Leaves NASA a Pension Bill” http://www.nytimes.com/2011/06/15/business/15nasa.html?\_r=2

The shuttle program accounts for a vast majority of the business of United Space Alliance, originally a joint venture of Boeing and Lockheed Martin. With the demise of the shuttle program, United Space Alliance will be left without a source of revenue to keep its pension plan afloat. So the company wants to terminate its family of pension plans, covering 11,000 workers and retirees, and continue as a smaller, nimbler concern to compete for other contracts. Normally, a company that lost a lifeblood contract would have little choice but to declare bankruptcy and ask the federal insurer, the Pension Benefit Guaranty Corporation, to take over its pensions. But that insurer limits benefits, meaning not everyone gets as much as they had been promised. United Space Alliance’s plan also allows participants to take their pensions as a single check and includes retiree health benefits, neither of which would be permitted by the pension insurer. United Space Alliance, however, has a rare pledge from a different government agency to pay the bill. The National Aeronautics and Space Administration says in its contract with the company that it will cover its pension costs “to the extent they are otherwise allowable, allocable and reasonable.” NASA interprets this to include the cost of terminating its pension plans outside of bankruptcy. The pension fund now has about half the amount needed. The president’s budget proposal for the 2012 fiscal year requests $547.9 million for NASA to provide the rest. That is nearly 3 percent of the agency’s total budget and just about what the Science Mission Directorate at NASA spent last year on all grants and subsidies to study climate change, planetary systems and the origins of life in the universe. “We know that it’s NASA’s obligation to fund this, and NASA will do so,” said a spokesman for the space agency, Michael Curie. Other federal agencies have made promises to pay contractors’ annual pension costs — the Energy Department, for example, for companies that run nuclear sites — and some government auditors have been warning for years that investment oversight was lacking and that the potential costs had been underestimated. This appears to be the first time, though, that a company’s main contract has expired and an agency has had to bear the cost of terminating its plans. Although NASA was reimbursing the contractor for the annual pension contributions, it had no say over how the money was invested. United Space Alliance put most of the money into stocks. The backstop will be unusually costly because of market conditions. While United Space Alliance has made its required contributions every year, the fund lost nearly $200 million in the market turmoil of 2008 and 2009. When interest rates are very low, as they have been, the cost of the promises rises rapidly as well, creating a bigger shortfall. The cash infusion is also being readied at a time when some members of Congress are demanding cuts in spending and threatening to block anything that could be construed as a taxpayer bailout. “It’s unfortunate that it’s coming in this fiscal environment,” said Bill Hill, NASA assistant associate administrator for the space shuttle. He said that he hoped Congress would appropriate the money before the fiscal year ended on Sept. 30. If not, he said, NASA will have to divert funds from space-related activities. Already, United Space Alliance has had five rounds of layoffs and has shrunk to about 5,600 employees from a peak of 10,500. Its workers have performed a wide range of jobs for the space shuttle program, mostly in Florida.

### NASA budget increasing now.

Space Travel.com 6/8/11 NASA Spending Shift to Benefit Centers Focused on Science and Technology http://www.space-travel.com/reports/NASA\_Spending\_Shift\_to\_Benefit\_Centers\_Focused\_on\_Science\_and\_Technology\_999.html

The newly created Space Technology Directorate, is set to receive an average of $1 billion annually between 2012 and 2016. The programs here are designed to revitalize the agency's ability to develop revolutionary technologies and innovations for exploration and robotic spaceflight This substantial budget will benefit Langley, Glenn and Ames Research Centers, which in the past supported research and test programs in aeronautics, science and human spaceflight missions.

### Massive space spending now.

The Economist 6/30/11 The military uses of space Spooks in orbit The other space programme http://www.economist.com/node/18895010

All the signs are that it is roaring ahead. The air force’s public space budget (as opposed to the secret part) will increase by nearly 10% next year, to $8.7 billion, with much of it going on a new generation of rockets. Bruce Carlson, director of the National Reconnaissance Office, the secretive outfit that runs America’s spy satellites, announced in 2010 that his agency was embarking on “the most aggressive launch schedule…undertaken in the last 25 years”. Much of the money goes on satellites—spy satellites for keeping tabs on other countries, communications satellites for soldiers to talk to each other, and even the Global Positioning System satellites, designed to guide soldiers and bombs to their targets, and now expanded to aid civilian navigation.

## NASA not expensive

### NASA spending is a drop in the bucket in the scope of the budget.

Washington Post 6/9/11 http://www.washingtonpost.com/opinions/five-myths-about-nasa/2011/06/09/AGliJgtH\_story.html

At the height of the Apollo program, NASA consumed more than 4 percent of the federal budget. In the 1960s, that was a lot of money. Today, it’s a rounding error. NASA’s budget for fiscal year 2011 is roughly $18.5 billion — 0.5 percent of a $3.7 trillion federal budget. In 2010, Americans spent about as much on pet food. And those who complain that it is a waste to spend money in space forget that NASA creates jobs. According to the agency, it employs roughly 19,000 civil servants and 40,000 contractors in and around its 10 centers. In the San Francisco area alone, the agency says it created 5,300 jobs and $877 million worth of economic activity in 2009. Ohio, a state hard-hit by the Great Recession that is home to NASA’s Plum Brook Research Station and Glenn Research Center, can’t afford to lose nearly 7,000 jobs threatened by NASA cuts. Even more people have space-related jobs outside the agency. According to the Colorado Space Coalition, for example, more than 163,000 Coloradans work in the space industry. Though some build rockets for NASA, none show up in the agency’s job data.

### NASA costs less than air conditioning for the military.

The Huffington Post 6/22/11 “Air conditioning The Military Costs More Than NASA's Entire Budget” http://www.huffingtonpost.com/2011/06/21/air-conditioning-military-cost-nasa\_n\_881828.html

NASA's annual budget is dwarfed by a lot of other programs, but this may be the most incredible. It costs $1 billion more than NASA's budget just to provide air conditioning for temporary tents and housing in Iraq and Afghanistan, according to Gizmodo. The total cost of keeping troops cool comes to roughly $20 billion. That figure comes from Steve Anderson, a retired brigadier general who was Gen. Petraeus' chief logistician in Iraq. NASA's total budget is just $19 billion. The huge cost comes from the fuel used to power the units, according to Gizmodo. Even worse, the trucks used to transport the fuel have also become targets for insurgent IEDs, which leads to casualties in addition to upping the costs.

## NASA Spending Flexibility

### NASA spending lots now – the end of the shuttle mission frees up money and creates new budget flexibility– the plan will be reallocation of funds.

The Economist 6/30/11 The space shuttle Into the sunset The final launch of the space shuttle brings to an end the dreams of the Apollo era <http://www.economist.com/node/18895018>

So, although the shuttle—which has been the icon of America’s space effort for a generation—will be missed, harder heads will be glad to see the decks cleared. Last year Barack Obama outlined his plans for the future of America’s space programme. Its most striking feature is to delegate the humdrum task of ferrying people and equipment to low-Earth orbit to the private sector. Rocketry is a mature technology, and NASA has always relied on using contractors to build its rockets and spacecraft. In future, private firms will run the missions as well. Later this year two spacecraft, one which has been designed by Orbital Sciences, a Virginia-based firm, and another by SpaceX, a Californian company run by Elon Musk, an internet entrepreneur, will make cargo runs to the ISS. The hope is that such craft will soon be able to carry humans too, and at a far lower cost than NASA’s efforts. Liberated from the burden of having to service the ISS (which Mr Obama wants to keep until 2020, six years longer than originally planned), NASA will be free to concentrate on loftier goals. In 2010, when Mr Obama outlined his ideas, he spoke, somewhat vaguely, of a manned trip to a near-Earth asteroid, to be followed at some unspecified date in the 2030s by the ultimate space-cadet dream—a manned mission to Mars. To that end, NASA will spend billions of dollars developing new engines, propellants, life-support systems and the like. Even the shuttle will live on, in some sense, since the Space Launch System—the unromantic name of the beefy rocket needed to loft astronauts and cargoes into high orbits or farther into the solar system—will be built partly from recycled shuttle parts in an effort to save money and use familiar technology. And spending will be managed through fixed-price contracts instead of the “cost-plus” deals that helped to inflate the price of the shuttle.

### New NASA budget flexibility now.

Clara Moskowitz 4/15/11 – Senior Writer Space.com – “NASA's 2011 Budget Should Allow Flexibility Despite Cuts,” Space.com, http://www.space.com/11411-nasa-2011-budget-cuts-constellation-funding.html)

The new budget at least frees NASA from a stifling provision under its 2010 budget that prevented it from cutting funding to the moon-bound Constellation program. Yet that program was canceled by President Barack Obama in early 2010, and NASA has been targeting new goals ever since. Now the space agency will finally be free to stop spending money on canceled Constellation projects. "The elimination of the Constellation provision will free up resources otherwise committed," Handberg said, saving NASA some of the money that it loses in the reduction of its annual budget. NASA leaders expressed gratitude that the agency can now move forward fully toward its new direction. "This bill lifts funding restrictions that limited our flexibility to carry out our shared vision for the future," NASA administrator Charles Bolden said in a statement. "With this funding, we will continue to aggressively develop a new heavy lift rocket, multipurpose crew vehicle and commercial capability to transport our astronauts and their supplies on American-made and launched spacecraft."

## Budget not set now

### NASA budget not set now.

Space Politics 6/30/11 ‘Briefly: Budget turmoil, 2012 lobbying” http://www.spacepolitics.com/2011/06/30/briefly-budget-turmoil-2012-lobbying/

The least surprising headline of the day is from Aerospace Daily: “NASA Funding Mired In Budget Politics”. While politics has always played a major role, the article suggests that the situation this year is even more complicated and uncertain than usual. Sen. Barbara Mikulski (D-MD), who chairs the Senate appropriations subcommittee whose jurisdiction includes NASA, told Aerospace Daily that the Senate has barely started work on the FY2012 appropriations bills, as it sorts through the consequences of the final FY11 continuing resolution as well as the ongoing debate about raising the debt limit. Mikulski and other appropriations subcommittee chairs have yet to receive their budget allocations, which means that they can’t start work on marking up appropriations bills. The path is a little clearer in the House, at least from a procedural standpoint. According to the schedule published in May by the House Appropriations Committee, the Commerce, Justice, Science, and Related Agencies subcommittee (which includes NASA and NOAA) will mark up its appropriations bill a week from today, July 7 (which by coincidence is the day before the last shuttle launch); the full committee will take up the bill on July 13. But the committee is otherwise keeping its plans close to its vest, beyond a budget allocation that suggests the potential for significant across-the-board budget cuts. “I don’t know what’s going to happen,” Rep. Mo Brooks (R-AL), who does not serve on the appropriations committee, told the Huntsville Times earlier this week. “Hopefully, NASA can survive. But that’s going to be up to the public to decide what they want… That’s going to be a battle.”

### Deficit stalemate means no NASA budget now.

Aerospace Daily 6/29/11 “NASA Funding Mired In Budget Politics” http://www.aviationweek.com/aw/generic/story\_channel.jsp?channel=space&id=news/asd/2011/06/29/02.xml&headline=NASA%20Funding%20Mired%20In%20Budget%20Politics

With a lingering stalemate on the deficit and debt ceiling and leftover problems from the previous fiscal year, developing a budget to fund NASA for the coming fiscal year is messier than usual. “It’s a quagmire,” says Sen. Barbara Mikulski (D-Md.), chair of the Senate Appropriations Commerce Justice Science subcommittee. “It’s a fiscal quagmire.” The committee is still sorting through the fiscal 2011 budget, as NASA only just recently submitted its spending plan for fiscal 2011 to Congress. “Right at this moment, we are looking at the consequences of the [continuing resolution],” Mikulski says. On top of that, Congress and the White House have yet to reach a deal on how to address the deficit and the debt ceiling. Without that deal, the Senate Budget Committee has not provided a budget resolution. And without a budget resolution, the appropriations committees have no guidance concerning how much money individual agencies will receive in fiscal 2012. The military construction and veterans affairs subcommittee moved ahead with its spending bill June 28, but other subcommittees are still waiting. “Until we get what our allocation is going to be we can’t quite mark up our bill,” Mikulski says. In the meantime, the appropriations committees dealing with NASA are working with the agency to obtain additional information. The big question, however, remains what will happen with the heavy-lift space launch system (SLS), the details of which Sen. Jay Rockefeller (D-W.Va.), the chairman of the Senate Commerce, Transportation and Science Committee, has been pushing to receive (Aerospace DAILY, June 24). Despite the slowdown in the Senate, the House Appropriations process has been humming along; the Commerce Justice Science subcommittee is still scheduled to mark up its version of the spending bill July 7 — a deadline that will come with or without NASA’s input on SLS.

## Econ low now

### The economy is failing now.

Martin Feldstein, 6/29/11 Professor of Economics at Harvard, was Chairman of President Ronald Reagan's Council of Economic Advisers and is former President of the National Bureau for Economic Research. “What’s Happening to the US Economy?” http://www.project-syndicate.org/commentary/feldstein37/English

The American economy has recently slowed dramatically, and the probability of another economic downturn increases with each new round of data. This is a sharp change from the economic situation at the end of last year – and represents a return to the very weak pace of expansion since the recovery began in the summer of 2009. Economic growth in the United States during the first three quarters of 2010 was not only slow, but was also dominated by inventory accumulation rather than sales to consumers or other forms of final sales. The last quarter of 2010 brought a welcome change, with consumer spending rising at a 4% annual rate, enough to increase total real GDP by 3.1% from the third quarter to the fourth. The economy seemed to have escaped its dependence on inventory accumulation. This favorable performance led private forecasters and government officials to predict continued strong growth in 2011, with higher production, employment, and incomes leading to further increases in consumer spending and a self-sustaining recovery. A one-year cut of the payroll tax rate by two percentage points was enacted in order to lock in this favorable outlook. Unfortunately, the projected recovery in consumer spending didn’t occur. The rise in food and energy prices outpaced the gain in nominal wages, causing real average weekly earnings to decline in January, while the continued fall in home prices reduced wealth for the majority of households. As a result, real personal consumer expenditures rose at an annual rate of just about 1% in January, down from the previous quarter’s 4% increase. That pattern of rising prices and declining real earnings repeated itself in February and March, with a sharp rise in the consumer price index causing real average weekly earnings to decline at an annual rate of more than 5%. Not surprisingly, survey measures of consumer sentiment fell sharply and consumer spending remained almost flat from month to month. The fall in house prices pushed down sales of both new and existing homes. That, in turn, caused a dramatic decline in the volume of housing starts and housing construction. That decline is likely to continue, because nearly 30% of homes with mortgages are worth less than the value of the mortgage. This creates a strong incentive to default, because mortgages in the US are effectively non-recourse loans: the creditor may take the property if the borrower doesn’t pay, but cannot take other assets or a portion of wage income. As a result, 10% of mortgages are now in default or foreclosure, creating an overhang of properties that will have to be sold at declining prices. Businesses have responded negatively to the weakness of household demand, with indices maintained by the Institute of Supply Management falling for both manufacturing and service firms. Although large firms continue to have very substantial cash on their balance sheets, their cash flow from current operations fell in the first quarter. The most recent measure of orders for nondefense capital goods signaled a decline in business investment. The pattern of weakness accelerated in April and May. The relatively rapid rise in payroll employment that occurred in the first four months of the year came to a halt in May, when only 54,000 new jobs were created, less than one-third of the average for employment growth in the first four months. As a result, the unemployment rate rose to 9.1% of the labor force. The bond market and share prices have responded to all of this bad news in a predictable fashion. The interest rate on 10-year government bonds fell to 3%, and the stock market declined for six weeks in a row, the longest bearish stretch since 2002, with a cumulative fall in share prices of more than 6%. Lower share prices will now have negative effects on consumer spending and business investment. Monetary and fiscal policies cannot be expected to turn this situation around. The US Federal Reserve will maintain its policy of keeping the overnight interest rate at near zero; but, given a fear of asset-price bubbles, it will not reverse its decision to end its policy of buying Treasury bonds – so-called “quantitative easing” – at the end of June. Moreover, fiscal policy will actually be contractionary in the months ahead. The fiscal-stimulus program enacted in 2009 is coming to an end, with stimulus spending declining from $400 billion in 2010 to only $137 billion this year. And negotiations are under way to cut spending more and raise taxes in order to reduce further the fiscal deficits projected for 2011 and later years. So the near-term outlook for the US economy is weak at best. Fundamental policy changes will probably have to wait until after the presidential and congressional elections in November 2012.

### Global economic recovery will fail now.

Robert Samuelson 6/27/11 The Economic Paralysis The Washington Post http://www.realclearpolitics.com/articles/2011/06/27/the\_economic\_paralysis\_110364.html

The Bank for International Settlements in Switzerland has just published its annual report, and it is a dour document. The BIS (as it's known) was created in 1930 to handle post-World War I reparation payments from Germany to Britain and France. The Great Depression ended reparations, and now the BIS provides -- among other things -- sober commentary on the global economy. Its latest report oozes foreboding. Consider: -- On government debt: "The market turbulence surrounding the fiscal crises in Greece, Ireland and Portugal would pale beside the devastation that would follow a loss of investor confidence in the sovereign debt of a major economy." -- On the need for higher interest rates: "Our attempts to cushion the blow from the last crisis must not sow the seeds of the next one." -- On inflation: "Inflation risks have been driven up by ... dwindling economic slack and increases in the prices of food, energy and other commodities." By the BIS report, you'd hardly know that there are almost 45 million unemployed in the advanced countries, up 50 percent from 2007. But can governments do anything about it? The BIS has no answer. Economic policy seems paralyzed. There's an almost palpable sense of helplessness, whether reading the BIS report or listening to Federal Reserve Chairman Ben Bernanke at his recent news conference. Economics seems to have emptied its toolbox. Patience and prayer are what's left: Last week's release of oil stocks, for example, was a desperate prayer for lower gasoline prices.

### Non-unique- US economy is slowing and a Greek default could trigger a world collapse.

AP – 6/15/11 (Associated Press, “Financial stocks drop as economic worries deepen,” Bloomberg Businessweek, 15 June. [Online] http://www.businessweek.com/ap/financialnews/D9NSG0K00.htm)

Financial stocks ranging from the biggest U.S. banks to credit ratings agency Moody's Corp. dropped more sharply than the broader market on Wednesday, hammered by growing investor unease about Greece's debt crisis and another report suggesting the U.S. economic recovery is slowing. The Standard & Poor's Financial Sector Index fell 2.3 percent in afternoon trading. The S&P 500 declined 1.8 percent. Stocks fell as Greece appeared to be making little progress in approving austerity measures aimed at preventing a government default. Riots against the new cutbacks tore through central Athens on Wednesday, while Greece's beleaguered government was in power-sharing talks that could lead to the resignation of Prime Minister George Papandreou. His government has faced internal party revolt over a new austerity package essential to continue receiving funding from an international bailout. A default could undermine the future of the eurozone, trigger a chain reaction that would leave the continent's banks vulnerable, and potentially slow economic growth in Europe and elsewhere. Meanwhile, a report on manufacturing in the New York area also came in far below forecasts, adding to a recent spate of negative economic reports that have prompted many economists to scale back U.S. growth projections. Wednesday's manufacturing report raised the possibility that factory production nationwide may be weaker than many had believed.

### Momentum is against economic growth – In the US and globally.

MarketWatch – 6/01/11 (“Will the economic slump last?” MarketWatch, 01 June. [Online] http://www.marketwatch.com/story/will-the-economic-slump-last-2011-06-01?link=MW\_latest\_news)

WASHINGTON (MarketWatch) — The headwinds holding back the U.S. economy are getting stronger. Most of the economic data released in the past month have been disappointing, to say the least. The latest reading on the labor market from payroll provider ADP shows job growth weakening as the summer approaches, with just 38,000 private-sector jobs created in May. If you recall that government employment is declining by almost that much every month, the ADP report implies only a very small increase in total employment. Read our full story on the 38,000 increase in the ADP employment report. This is no way to get the unemployment rate down from 9%. The economy has been buffeted by both natural and man-made forces. Extremely bad weather earlier in the year depressed activity, as did the surge in commodity prices, especially for energy and food. Then the Japanese earthquake and tsunami knocked out vital supply chains. Global economic growth, which had given a big boost to U.S. exporters, is slowing. Europe is dead in the water, so is Japan. The fast-growing developing nations such as China, India and Brazil are downshifting to avoid overheating.

### Economy is declining – unemployment, dollar down, stock losses, housing

Reuters 6/1 [“Economic Reports for May Show an Entrenched Slowdown,” New York Times. June 1, 2011. <http://www.nytimes.com/2011/06/02/business/economy/02econ.html?_r=1>]

The nation’s private companies hired far fewer workers than expected in May and output in the manufacturing sector slowed to its lowest level since 2009, according to new reports, raising concerns that the recovery was running out of steam. Economists cut their forecasts for Friday’s closely watched United States payrolls report after private-sector job growth tumbled to just 38,000, its lowest level in eight months. Losses in stocks and the value of the dollar accelerated after the Institute for Supply Management said its index of national factory activity fell to 53.5 in May from 60.4 the month before. The reading missed economists’ expectations for 57.7. New orders, a barometer of demand ahead, fell to 51.0 from 61.7 in April, the lowest since June 2009. “One has to wonder whether the U.S. recovery is starting to stumble,” said Greg Salvaggio, vice president for trading at Tempus Consulting in Washington. “It draws a big bull’s-eye on Friday’s payrolls report.” The ADP Employment Services report on private sector hiring and the Institute for Supply Management’s data were the latest signals that economic growth remained sluggish in the second quarter after hitting a soft patch in the first months of the year. Data last month showed the economy grew at a 1.8 percent annual rate in the first quarter, softer than analysts had anticipated. “This only adds fuel to the argument that the slowdown story is here in the U.S.,” said Tom Porcelli, chief United States economist at RBC Capital Markets in New York. “This is exactly what we do not want when other significant data shows things are slowing down as well.” The ADP report showed private employers added 38,000 jobs last month, falling from a downwardly revised 177,000 in April and well short of expectations for 175,000. It was the lowest level since September 2010. Credit Suisse lowered its estimate for Friday’s employment number to 120,000 from its previous forecast of 185,000 and its private payroll estimate to 135,000 from 200,000. ADP’s number has been weaker than the government’s private payrolls figure for 12 of the last 14 months, making Friday’s government numbers likely to come in above ADP’s report, Credit Suisse said. The Labor Department report is expected to show a rise in overall nonfarm payrolls of 180,000 in May, slowing down from a gain of 244,000 the month before, according a Reuters poll. Private payrolls are expected to come in at 205,000. The ADP report is jointly developed with Macroeconomic Advisers, whose chairman said he expected Friday’s figure to disappoint. Stocks extended losses after the I.S.M. survey with the Dow Jones industrial average down nearly 1 percent. The dollar hit a new low against the Swiss franc. The yield on benchmark 10-year Treasury debt slipped to its lowest level since early December. A separate report showed the number of planned layoffs at American firms rose modestly in May with the government and nonprofit sectors making up a large portion of the cuts. Employers announced 37,135 planned job cuts last month, up 1.8 percent from 36,490 in April, according to a report from the consultants Challenger, Gray & Christmas. The housing market, meanwhile, continued to struggle as a report from an industry group showed applications for home mortgages fell last week, pulled lower by a decline in refinancing demand. The Mortgage Bankers Association said its seasonally adjusted index of mortgage application activity, which includes both refinancing and home purchase demand, fell 4 percent in the week ended May 27.

## No Budget Deal Now

### There’s no deal on the budget and debt ceiling now.

The Hill 6/27/11 http://thehill.com/homenews/senate/168633-gop-senator-democrats-failed-to-govern-on-budget

Freshman Sen. John Boozman (R-Ark.) on Monday was the latest Republican to come to the floor and express frustration at Senate Democrats' lack of a budget proposal for fiscal 2012. "This is failure to govern at the most basic level and the American people deserve better," Boozman said. "We need a budget that puts us on the path to fiscal discipline." "We can’t even have an open debate in this chamber about a budget," Boozman argued. "Instead of voting to start the debate on budget measures, last month the majority squashed all the proposals including the president’s own plan." The senator was referring to a series of failed votes that took place in May on Republican and Democratic budget plans that had almost no chance of reaching the 60-vote hurdle required for most legislation to pass the Senate. A version of President Obama's budget plan, for example, was defeated without garnering a single vote. There is currently no budget-related legislation pending before the Senate, and the upper chamber is slated to adjourn Thursday or Friday for a weeklong recess.

### A deal is unlikely in the status quo.

Bedard – 6/13/11 (Paul, “Odds Just 1 in 3 on Deal to Raise Debt Ceiling,” US News, 13 June. [Online] http://www.usnews.com/news/washington-whispers/articles/2011/06/13/odds-just-1-in-3-on-deal-to-raise-debt-ceiling)

Despite revived negotiations between Vice President Joe Biden and GOP leaders over boosting limit on the nation’s credit spending by $2.4 trillion, some on Wall Street predict that there is just a 33 percent chance a deal will be cut in time to avoid default. And even if the two sides come to an agreement, expectations are rising that the debt ceiling will only be raised by about $1 trillion, forcing both sides back to the table before next year’s elections. Chris Krueger, political strategy analyst at MF Global’s Washington Research Group, says: “Our odds remain at 1 in 3 that the Congress fails to raise the debt ceiling by the August 2 hard deadline.” If that holds true, others have predicted that Wall Street could crash and the government default on loan payments. [Read the U.S. News Debate: Should Congress Raise the Debt Ceiling?]

### No debt deal coming – Negotiations are all talk.

Ellis – 6/13/11 (John, “Deal On Debt Ceiling Increasingly Unlikely,” Business Insider, 13 June. [Online] http://www.businessinsider.com/deal-on-debt-ceiling-increasingly-unlikely-2011-6)

It is widely assumed that at the end of the day, Republicans and Democrats in Congress will compromise and cut a deal on raising the debt ceiling. It's widely assumed because everyone from Treasury Secretary Tim Geithner to House Speaker John Boehner to Senate Majority Leader Harry Reid has told anyone who would listen that this is what is going to happen. One hopes they are right. Last week, Moody's issued a statement saying that if something wasn't done to get US fiscal policy under some kind of control, the credit rating of the United States of America would be downgraded. That would be a disaster of significant scale. There's a growing number of people in Washington, however, who think that the nation's political leaders don't know what they're talking about. They point out that these leaders don't have a deal on the debt ceiling in their back pocket. They don't even have the outline of such a deal. The various commissions and "working groups" and all the endless meetings to produce a rough draft of such a deal have gone, basically, nowhere.

## No impact – Debt Ceiling

### No internal link to the impact – Failing to raise the debt ceiling only causes a partial shutdown.

Goldfarb – 5/15/11 (Zacahry A., “Treasury to tap pensions to help fund government,” The Washington Post, 15 May. [Online] http://www.washingtonpost.com/business/economy/treasury-to-tap-pensions-to-help-fund-government/2011/05/15/AF2fqK4G\_story.html?nav=emailpage)

But several prominent congressional Republicans have dismissed the Obama administration’s assertion that the country would face dire consequences if Congress does not vote to raise the federal limit on government borrowing by August. Many of the skeptics are affiliated with the tea party. In the Senate, freshman Sen. Pat Toomey (R-Pa.) has said the Obama administration has been exaggerating the effects of hitting the default mark. He says breaching the limit would cause only a partial government shutdown.

## Econ Decline doesn’t cause War

### Economic downturn doesn’t cause war – Empirically.

Blackwill – Former Deputy National Security Advisor for Strategic Planning – 2009 (Robert, “The Geopolitical Consequences of the World Economic Recession—A Caution,” Occasional Papers @ RAND Institute. [PDF Online @] www.rand.org/pubs/occasional\_papers/OP275.html)

Earlier slumps that have affected the United States may hold lessons regarding the present one. Including this recession, from 1945 to 2009, the National Bureau of Economic Research has identified 12 U.S. recessions; excluding the current recession, their average duration was ten months (peak to trough).8 Did any of these post–World War II U.S. economic downturns result in deep structural alterations in the international order, that is, a fundamental, long-term change in the behavior of individual nations? None is apparent. Indeed, on some occasions geopolitical events caused international economic dips, but not the other way around. For example, the Iranian Revolution in 1979 sharply increased the global price of oil, which in turn produced an international energy crisis and, abetted by tight monetary policy by the Federal Reserve, a U.S. recession.

### Economic decline doesn’t cause war

Ferguson 6 (Niall, Professor of History – Harvard University, Foreign Affairs, 85(5), September / October, Lexis)

Nor can economic crises explain the bloodshed. What may be the most familiar causal chain in modern historiography links the Great Depression to the rise of fascism and the outbreak of World War II. But that simple story leaves too much out. Nazi Germany started the war in Europe only after its economy had recovered. Not all the countries affected by the Great Depression were taken over by fascist regimes, nor did all such regimes start wars of aggression. In fact, **no** general **relationship between economics and conflict is discernible** for the century as a whole. Some wars came after periods of growth, others were the causes rather than the consequences of economic catastrophe, and some **severe economic crises were not followed by wars**.

### Economic decline doesn’t cause war - Studies prove

Miller 00 (Morris, Economist, Adjunct Professor in the Faculty of Administration – University of Ottawa, Former Executive Director and Senior Economist – World Bank, “Poverty as a Cause of Wars?”, Interdisciplinary Science Reviews, Winter, p. 273)

The question may be reformulated. Do wars spring from a popular reaction to a sudden economic crisis that  
exacerbates poverty and growing disparities in wealth and incomes? Perhaps one could argue, as some scholars do, that it is some dramatic event or sequence of such events leading to the exacerbation of poverty that, in turn, leads to this deplorable denouement. This exogenous factor might act as a catalyst for a violent reaction on the part of the people or on the part of the political leadership who would then possibly be tempted to seek a diversion by finding or, if need be, fabricating an enemy and setting in train the process leading to war. According to a study undertaken by Minxin Pei and Ariel Adesnik of the Carnegie Endowment for International Peace, there would not appear to be any merit in this hypothesis. After studying ninety-three episodes of economic crisis in twenty-two countries in Latin America and Asia in the years since the Second World War they concluded that:19 Much of the conventional wisdom about the political impact of economic crises may be wrong ... The severity of economic crisis – as measured in terms of inflation and negative growth - bore **no relationship** to the collapse of regimes ... (or, in democratic states, rarely) to an outbreak of violence ... In the cases of dictatorships and semidemocracies, the ruling elites responded to crises by increasing repression (thereby using one form of violence to abort another).

### Doesn’t cause war --No resources

Duedney 91 (Daniel, Hewlett Fellow in Science, Technology, and Society – Princeton University, “Environment and Security: Muddled Thinking?”, Bulletin of the Atomic Scientists, April)

Poverty wars. In a second scenario, declining living standards first cause internal turmoil, then war. If groups at all levels of affluence protect their standard of living by pushing deprivation on other groups, class war and revolutionary upheavals could result. Faced with these pressures, liberal democracy and free market systems could increasingly be replaced by authoritarian systems capable of maintaining minimum order.9 If authoritarian regimes are more war-prone because they lack democratic control, and if revolutionary regimes are war-prone because of their ideological fervor and isolation, then the world is likely to become more violent. The record of previous depressions supports the proposition that widespread economic stagnation and unmet economic expectations contribute to international conflict. Although initially compelling, this scenario has major flaws. One is that it is arguably based on unsound economic theory. Wealth is formed not so much by the availability of cheap natural resources as by capital formation through savings and more efficient production. Many resource-poor countries, like Japan, are very wealthy, while many countries with more extensive resources are poor. Environmental constraints require an end to economic growth based on growing use of raw materials, but not necessarily an end to growth in the production of goods and services. In addition, **economic decline does not** necessarily **produce conflict**. How societies respond to economic decline may largely depend upon the rate at which such declines occur. And as people get poorer, they may become less willing to spend scarce resources for military forces. As Bernard Brodie observed about the modern era, “The predisposing factors to military aggression are full bellies, not empty ones.” The experience of economic depressions over the last two centuries may be irrelevant, because such depressions were characterized by under-utilized production capacity and falling resource prices. In the 1930s increased military spending stimulated economies, but if economic growth is retarded by environmental constraints, military spending will exacerbate the problem.

## Economy Resilient

### No terminal impact - The US and World economies are resilient.

Geithner - US Treasury Secretary - 2008 (Tim, “Remarks at the Council on Foreign Relations Corporate Conference,” 06 March. [Online] http://www.usglc.org/international-affairs-budget-resources/potential-treasury-secretary/)

The United States, the world economy, and the financial system as a whole, are more resilient, than they were on the eve of previous downturns. The improvements in productivity growth in the United States of the past decade have been followed by significant improvements in potential growth and wealth accumulation in many other countries. The scale of investable assets around the globe is very substantial, and this will be an important source of demand for risk assets. The improvements in monetary policy credibility and in financial strength developed over the past few decades mean that policy around the world has more room to adjust to deal with the challenge in the present environment.

### Economy resilient

Main Wire 8 (Reporting the Congressional Budget Office Summer Report on Economic Assessments, “FOMC Seen Hiking FFR Through '09,'10”, 9-9, Lexis)

However, the economic outlook could also improve sooner than CBO is currently forecasting. During the past 25 years, the economy has been **resilient in the face of** **adverse shocks**; since 1983, it has experienced only two relatively mild recessions, and inflation has been much more contained than in earlier years. Some economists attribute that long period of relative stability to a number of developments -- for example, less economic regulation, greater competition in labor and product markets (including globalization), and more-effective monetary policy. They argue that the economy has become more competitive and more flexible, able to respond to shocks because prices can adjust more quickly to reflect relative scarcities. (According to that view, scarce goods and services can be quickly redirected to their most valued uses, and a price shocks negative effect on output will be muted.) The current turbulence in the financial markets is testing that argument, but up to now, the economy has coped with the severe shocks of the past year relatively well. In particular, in a distinct contrast to events following the shocks of the 1970s, the lack of a steady surge in core inflation and unit labor costs, and the degree to which the consumption of petroleum products has declined, indicate an efficient response by businesses and households to skyrocketing oil prices. (For example, initial estimates indicate that the consumption of petroleum products during the second quarter of this year was about 4 percent lower than it was a year ago, even though real GDP was 1.8 percent higher. In contrast to responses to earlier oil price shocks, the reduction in the use of petroleum per unit of GDP has occurred without causing major disruptions.) Moreover, the apparent restraint in core inflation has given the Federal Reserve more latitude to try to mitigate the downturn in the economy. Also, some of the negative effects that the shortage of credit has had on businesses' investment spending may have been alleviated by the relatively healthy balance sheets of nonfinancial corporations.

### Both the US and global economy are resilient

Behravesh 6 (Nariman, most accurate economist tracked by USA Today and chief global economist and executive vice president for Global Insight, Newsweek, “The Great Shock Absorber; Good macroeconomic policies and improved microeconomic flexibility have strengthened the global economy's 'immune system.'” 10-15-2006, www.newsweek.com/id/47483)

The U.S. and global economies were able to withstand three body blows in 2005--one of the worst tsunamis on record (which struck at the very end of 2004), one of the worst hurricanes on record and the highest energy prices after Hurricane Katrina--without missing a beat. This resilience was especially remarkable in the case of the United States, which since 2000 has been able to shrug off the biggest stock-market drop since the 1930s, a major terrorist attack, corporate scandals and war. Does this mean that recessions are a relic of the past? No, but recent events do suggest that the global economy's "immune system" is now strong enough to absorb shocks that 25 years ago would probably have triggered a downturn. In fact, over the past two decades, recessions have not disappeared, but have become considerably milder in many parts of the world. What explains this enhanced recession resistance? The answer: a combination of good macroeconomic policies and improved microeconomic flexibility. Since the mid-1980s, central banks worldwide have had great success in taming inflation. This has meant that long-term interest rates are at levels not seen in more than 40 years. A low-inflation and low-interest-rate environment is especially conducive to sustained, robust growth. Moreover, central bankers have avoided some of the policy mistakes of the earlier oil shocks (in the mid-1970s and early 1980s), during which they typically did too much too late, and exacerbated the ensuing recessions. Even more important, in recent years the Fed has been particularly adept at crisis management, aggressively cutting interest rates in response to stock-market crashes, terrorist attacks and weakness in the economy. The benign inflationary picture has also benefited from increasing competitive pressures, both worldwide (thanks to globalization and the rise of Asia as a manufacturing juggernaut) and domestically (thanks to technology and deregulation). Since the late 1970s, the United States, the United Kingdom and a handful of other countries have been especially aggressive in deregulating their financial and industrial sectors. This has greatly increased the flexibility of their economies and reduced their vulnerability to inflationary shocks. Looking ahead, what all this means is that a global or U.S. recession will likely be avoided in 2006, and probably in 2007 as well. Whether the current expansion will be able to break the record set in the 1990s for longevity will depend on the ability of central banks to keep the inflation dragon at bay and to avoid policy mistakes. The prospects look good. Inflation is likely to remain a low-level threat for some time, and Ben Bernanke, the incoming chairman of the Federal Reserve Board, spent much of his academic career studying the past mistakes of the Fed and has vowed not to repeat them. At the same time, no single shock will likely be big enough to derail the expansion. What if oil prices rise to $80 or $90 a barrel? Most estimates suggest that growth would be cut by about 1 percent--not good, but no recession. What if U.S. house prices fall by 5 percent in 2006 (an extreme assumption, given that house prices haven't fallen nationally in any given year during the past four decades)? Economic growth would slow by about 0.5 percent to 1 percent. What about another terrorist attack? Here the scenarios can be pretty scary, but an attack on the order of 9/11 or the Madrid or London bombings would probably have an even smaller impact on overall GDP growth.

## US not key to the World Econ

### U.S. isn’t key to the global economy

Merrill Lynch 6 (“US Downturn Won’t Derail World Economy”, 9-18, http://www.ml.com/index.asp?id=7695\_7696\_8149\_63464\_70786\_71164)

A sharp slowdown in the U.S. economy in 2007 is **unlikely to drag the** rest of the **global economy down** with it, according to a research report by Merrill Lynch’s (NYSE: MER) global economic team. The good news is that there are strong sources of growth outside the U.S. that should **prove resilient** to a consumer-led U.S. slowdown. Merrill Lynch economists expect U.S. GDP growth to slow to 1.9 percent in 2007 from 3.4 percent in 2006, but non-U.S. growth to decline by only half a percent (5.2 percent versus 5.7 percent). Behind this decoupling is higher non-U.S. domestic demand, a rise in intraregional trade and supportive macroeconomic policies in many of the world’s economies. Although some countries appear very vulnerable to a U.S. slowdown, one in five is actually on course for faster GDP growth in 2007. Asia, Japan and India appear well placed to decouple from the United States, though Taiwan, Hong Kong and Singapore are more likely to be impacted. European countries could feel the pinch, but rising domestic demand in the core countries should help the region weather the storm much better than in previous U.S. downturns. In the Americas, Canada will probably be hit, but Brazil is set to decouple.