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*****Negative*****

Fiscal Discipline DA 1NC

a. Uniqueness – Obama is working to curb the deficit and rein in excessive spending

Topeka Capital-Journal, “Obama's spending plans raise eyebrows”, June 15, 2009, lexis

After inheriting a \$1.3 trillion annual budget deficit upon taking office, **Obama pushed through \$787 billion in short-term spending and tax cuts designed to make up for retreating private-sector demand and to spark the economy. He also won approval for a 10-year budget that aspires to sharply reduce the deficit in its first years and takes on the rising cost of health care.** which his advisers say is the single biggest cause of increasing public expenditures. But Sen. Kent **Conrad**, D-N.D., chairman of the Senate Budget Committee, **said, "The second five years is where we're on a completely unsustainable course." "People know we have an overall situation here that doesn't add up."** he said.

b. Link – Cuts in the stimulus prove – increasing support for social services is pricey

Suzanne **Perry**, The Chronicle of Philanthropy, “Compromise Stimulus Bill Would Trim Some Social Spending”, February 09, 2009, <http://philanthropy.com/news/updates/7071/compromise-stimulus-bill-would-trim-some-social-spending>

The compromise economic-stimulus package now before the Senate **cuts some proposed spending on social programs as part of an effort to trim \$100-billion from the bill's cost. Among programs facing a big cut: Head Start and Early Head Start. The compromise proposal would spend \$1.05-billion on the early-childhood programs, down from the original plan to spend \$2.1-billion.** **The new bill**, crafted by Democrats and a few moderate Republicans, **would also trim \$40-billion from a \$79-billion "state fiscal stabilization fund" designed to help states avoid making big cuts in education and social services. It would also eliminate new spending on the Neighborhood Stabilization Program,** which provides money to states to buy and redevelop foreclosed properties.

Fiscal Discipline DA 1NC

c. Internal link – Maintaining fiscal discipline key to recovery of the US economy and preventing collapse

Leon Hadar, Washington Correspondent, “Spending like there is no tomorrow”, Business Times, **June 19, 2009**, <http://www.businesstimes.com.sg/sub/storyprintfriendly/0,4582,338320,00.html?>

Officials and lawmakers in Washington explain that **the federal government had no other choice but to borrow and spend trillions of dollars to help the American economy avoid a rerun of the 1930s Great Depression**, and there are some signs that such efforts are indeed creating the conditions for an economic recovery. But the same **officials and lawmakers are worried that expanding federal deficit and the mounting debt are going to have long-term catastrophic impact on the American economy**. Yet these concerns don't seem to have any major effect on the spending habits in Washington where the talk is about adding another trillion here - which company needs a government bailout today? - and another trillion there, with the costly plan to reform the healthcare system being the latest example. The federal deficit remains the elephant in Oval Office. As the government is spending its way out of the recession, **it could be creating inflationary pressures that end up putting upward pressure on interest rates and killing the economic recovery**. And while no one is seriously contemplating a scenario in which the United States goes bankrupt a la Iceland, **a US government inflating its way out of debt endangers its credibility and reduces the confidence of the financial markets in the American economy**. **The soaring US debt which puts downward pressure on the value of the US dollar has already ignited fears among foreign holders of US government bonds**, led by China which is the largest creditor with more than US\$700 billion invested in Treasury bonds. Indeed, according to Republican Representative Mark Kirk who returned recently from a trip to China that included talks with government officials and central bank chief Zhou Xiaochuan, senior **Chinese leaders** have privately voiced fear over the soaring US budget deficit and **said that they were increasingly looking to diversify from the US dollar**. 'We heard across the board - in private - substantial, continuing and rising concern,' the Congressman told an audience at the Center for Strategic and International Studies, a Washington think tank. **It's clear that China would like to diversify from its dollar investments**, he said.

d. Impact – Collapse of the US economy leads to billions dead

Nyquist, 2k7 [J.R., "The Downward Trend Is Unstoppable," October 26, <online> <http://www.financialsense.com/stormwatch/geo/pastanalysis/2007/1026.html>]

Our husbandry is dull indeed! The dollar has been compromised in this process. And a new political situation will flow from this, both at home and abroad. The **enemies** of the United States **are poised to take advantage of America's financial demise**. Demagogues and troublemakers from within the country are also prepared. We have right wing fanatics and left wing fanatics eager to win followers. In a severe crisis the moderates of the political "center" tend to melt away. Discredited by the failure of the status quo, the moderate loses his voice. His truth no longer rings true. Instead, the unbalanced fanatic appears to be correct. People discover that the system is rotten after all. The system, in fact, is collapsing. The fanatic has his certainty, his heat without light. Who can deny his appeal? When the economic crisis unfolds Iraq might as well be Mars. Iran's nuclear program won't matter at all. As Cato the Elder once remarked, the Roman voter is concerned with "the pebble in his shoe." An empty bank account and poor job prospects for fifty million citizens will have a greater political impact than WMD proliferation halfway around the world. Terrorism hurts a few thousand people at a time. **Economic malaise hurts** tens of **millions** (and urban unrest is not funny). Under such circumstances the United States is bound to turn inward, to become domestically self-involved, to forget the outside world entirely. When this happens, the **enemies abroad** will seek their advantage. First, they will want to disarm the United States as circumstances permit. Second, they **will want to punish the United States because old resentments seldom disappear** overnight. There is another aspect to all this: The foreign policy errors of the Bush administration partly stem from the failure of U.S. intelligence. There is also the problem of ineffective counterintelligence. The cheapest defense is to know what your enemy is doing so that you can counter him in the most inexpensive way. A terrorist strike, or a strike under false terrorist colors, can best be thwarted or understood through good domestic intelligence work. But this work is forbidden by current interpretations of the U.S. Constitution. We have no stomach for domestic intelligence. As the United States turns inward **during an economic crisis, it becomes more vulnerable to terrorism** from abroad. The rhetoric of politicians, ever self-serving, will focus in on domestic opponents. These will be blamed for everything. The already poisonous intellectual atmosphere, combined with ideological and ethnic divisions, opens the door to various nightmare scenarios. One might assume that this crisis is merely bad for Americans. The truth is that when the United States turns inward, **global impoverishment and war must follow**. Those who argue that the United States is the author of the world's miseries have misread their history. **The period following World War II was** a period of **unprecedented progress and prosperity** for mankind. The United States deserves the credit, not the blame, for the last sixty-two years of peace. **The decline** of the United States **unleashes the genie that was bottled up** in the 1940s. Dictatorship and **war will break free. Nuclear and biological weapons will be used to settle old scores. The use** of these weapons **will not be restrained. Billions of people will perish**. Most will die of starvation. Once a downward motion begins it is sustained by something akin to momentum. **Civilization has climbed so high that any stumble must be fatal**. Much of what unfolds will be made possible by false thinking and the spread of false ideas. We have the accumulated wisdom of great economists and political thinkers to fall back upon. But we have neglected their works. We have grown superficial and stupid in our prosperity, adopting policies that guarantee catastrophe.

Fiscal Discipline 2NC Overview

The disadvantage outweighs the case — more spending will force interest rates up, kill the dollar, and destroy foreign investment. This is the most probable impact since the economy is recovering now and perception from of new spending collapses the economy immediately when the plan passes – It will take several years for any of the aff’s systemic impacts to occur.

Our Nyquist evidence says terrorists and US enemies will exploit US vulnerability with nuclear, biological, and chemical warfare, killing billions.

Plus, the Disad turns the case – economic crisis devastates social services

William Harms, “An economic downturn impacts social services’ ability to aid poor”, Dec 11, 2008, Vol. 28 No. 6, <http://chronicle.uchicago.edu/081211/poor.shtml>

As the nation enters a period of economic uncertainty, many of the 50 million Americans living near or below the poverty line are more vulnerable than at any time in recent years. Yet, the help they need to get a job, locate housing, access health care or provide for their children is less and less likely to be found in their neighborhoods, as agencies serving the poor face potential financial problems. University research shows. Location is important because, contrary to popular impressions, most assistance to low-income families comes in the form of social services, which support work activity and promote greater well-being among the poor, and not cash payments. Study author Scott Allard said, today, for every dollar paid in welfare cash assistance, the United States spends about \$15 on social service programs delivered typically by nonprofit agencies, but often funded through government. Allard is Associate Professor in the School of Social Service Administration and author of *Out of Reach: Place, Poverty, and the New American Welfare State*. The findings are based on the Multi-City Survey of Social Service Providers that Allard conducted from June 2004 to August 2005. The results are being reported for the first time in his new book. Allard’s work is part of a tradition of scholarship at the University that looks at the ways in which society responds to the needs of the most disadvantaged people. Other work in the School of Social Service Administration has looked at the mismatch between the needs of the poor to health care and their ability to obtain nearby services, for instance. Also, a study by Chapin Hall, a research center at the University, showed that communities in Chicago vary greatly in the services available to poor people. These programs are quite vulnerable in today’s current economic environment, however, as social service programs are often among the first places governments look to cut when tax revenues decrease. Private philanthropy dedicated to social services—another critical source of funding—also declines during economic downturns. Ironically, funding to service programs is cut when the need for help rises.

XT – Uniqueness – Fiscal Discipline

Obama's budget plans will keep the deficit and new spending low

Reuters 3-1-09 [Randall, "Obama aide: deficit goals on track despite grim economy", <http://uk.reuters.com/article/economyNews/idUKN0133362420090301>]

WASHINGTON (Reuters) - President Barack Obama's targets for cutting the budget deficit remain in reach, a top aide said on Sunday, despite an alarmingly steep U.S. economic decline that could throw off revenue collections. White House Budget Director Peter Orzag also fiercely defended a proposed \$600 billion plan to tax high-income Americans to pay for a healthcare overhaul and another \$600 billion plan to sell companies permits to emit carbon-dioxide gases above a fixed limit. Republicans have complained that measures would stifle any economic rebound and weaken small businesses. "I just reject the theory that the only thing that drives economic performance is the marginal tax rate on wealthy Americans, and the only way of being pro-market is to funnel billions and billions of dollars of subsidies to corporations," Orzag said on ABC's "This Week." Obama last week proposed a \$3.6 trillion spending plan for fiscal 2010, with a deficit of \$1.12 trillion, and projected the deficit would fall to \$533 billion in 2013. He projected a \$1.75 trillion deficit for 2009, including the impact of a two-year economic stimulus package costing \$787 billion. The deficit forecasts were based in part on predictions that the economy would shrink 1.2 percent in 2009 before growing again by 3.2 percent in 2010 -- figures already more optimistic than those of most economists surveyed by the Blue Chip Economic Indicators newsletter just before the stimulus plan was approved. Then on Friday, the government reported the U.S. economy shrank by 6.2 percent in the last three months of 2008, the steepest since 1982 and far worse than most forecasts. A sharper-than-expected contraction in the economy would lead to weakened government revenue from income taxes and other sources. But asked if the deficit-reduction targets remained on track, Orzag said, "I think so." "The deficit reduction doesn't just come from the economy recovering. And by 2013 or 2014, let's all hope that the economy is back on its feet," Orzag said. He said spending cuts and new revenue sources would also help meet the targets.

Obama will reduce the deficit and balance the economy --- but it's shaky

New Europe 3-1-09 ["Obama wants a US "new era of engagement" with the world", <http://www.neurope.eu/articles/93173.php>]

Obama warned of a decade-long recession plaguing the US without even more government action, but offered reassurance that the US economy will recover over time. In a speech both sobering and uplifting, Obama challenged politicians and citizens alike to take responsibility for the country's past mistakes and help overcome an era dominated by unprecedented debt, lust for quick profits and short-term gains. He said that his Democrats and opposition Republicans would have to work together to solve the country's serious problems and that he would likely need additional money to stabilize the crumbling US financial system. "I ask this Congress to join me in doing whatever proves necessary, because we cannot consign our nation to an openended recession," Obama said, just one week after signing a record USD 787 billion economic recovery package. He expressed optimism about the country's long-term prospects, promising that a "day of reckoning has arrived" and that the United States was capable of turning the crisis into an opportunity for progress. "While our economy may be weakened and our confidence shaken, though we are living through difficult and uncertain times, tonight I want every American to know this: we will rebuild, we will recover, and the United States of America will emerge stronger than before," Obama said. Obama said that globalisation meant the US would have to work with other countries to stem a financial crisis that has pulled the world economy into its first global recession since World War II. "The world depends on us to have a strong economy, just as our economy depends on the strength of the world's," Obama said. He promised to use the "full force" of government to revive consumer lending in the banking sector and said his administration "cannot walk away" from a struggling US car industry at the heart of the country's manufacturing sector. Obama set out an ambitious, long-term domestic agenda: overhauling financial regulation to prevent a future Wall Street-led crisis; ending US dependence on foreign energy sources; reforming education; and reducing spiraling health-care costs and pensions that are key to the country's hopes of returning to a balanced budget. The president unveiled some new details of his 2010 budget priorities, promising to cut wasteful programmes in the military, health, education and agriculture sectors. He said new spending would focus on three key areas: energy, health care and education.

XT – Uniqueness – Fiscal Discipline

Obama cutting wasteful spending

Reuters, "Obama to cut 'wasteful' programmes", 4/19/2009,
<http://www.eastandard.net/international/InsidePage.php?id=1144011980&cid=517&>

President Barack **Obama said he would soon announce the elimination of dozens of wasteful or ineffective government programmes to restore fiscal accountability to the federal budget.** Obama, speaking in his weekly radio address, said he would use his first full Cabinet meeting on Monday to ask department and agency heads for specific proposals for trimming their budgets. He named two new officials as part of a team of management, technology and budget experts that will drive the process of trimming the fat and waste from government spending. "As surely as our future depends on building a new energy economy, controlling healthcare costs and ensuring that our kids are once again the best educated in the world, it also depends on restoring a sense of responsibility and accountability to our federal budget," Obama said. "Without significant change to steer away from ever-expanding deficits and debt, we are on an unsustainable course," he added. The United States posted a record \$956.8 billion budget deficit for the first half of fiscal 2009, more than three times the shortfall of a year ago, the Treasury Department reported earlier this month. Much of the deficit was caused by spending on financial and economic rescue programs aimed at propping up companies whose collapse could worsen the global recession. **Obama said Cabinet officials already had begun cutting back unnecessary expenditures,** including a consulting contract to create new seals and logos that cost Department of Homeland Security \$3 million since 2003. **The president also commended** Defence Secretary Robert **Gates' project to reform defence contracting procedures to eliminate what he said were hundreds of billions of dollars in wasteful spending and cost overruns.** **"If we're to going to rebuild our economy on a solid foundation, we need to change the way we do business in Washington,"** Obama said. **"We need to restore the American people's confidence in their government — that it is on their side, spending their money wisely, to meet their families' needs."**

XT – Uniqueness – US Economy

US economy currently growing but we're not out of the woods – next few months are critical to recovery

Donald Lambro and S.A. Miller, "GOP seeks to truncate stimulus, cut deficit; Economy improves with billions unspent", The Washington Times, **June 8**, 2009, lexis

Nevertheless, **there are increasing reports that key sectors of the economy are beginning to show modest signs of recovery.** **Construction spending is up** slightly for the second straight month, **factory orders rose** 0.7 percent in April, existing **home sales were up** three months in a row, **and banks have begun raising capital** again and **showing signs of growth**. These and other **economic signals have sparked a rally on Wall Street that has raised stock values** by more than 30 percent since March. **No one suggests the economy is out of the woods.** **The unemployment rate,** always the last economic figure to show improvement in the aftermath of recessions, **continues to climb**, rising from 8.9 percent in April to 9.4 percent in May - though the figure of 345,000 jobs lost last month was sharply below economic forecasts and marked the fourth straight month that the pace of layoffs has slowed. That is one of the reasons why **top economists** such as Ben S. Bernanke, chairman of the Federal Reserve, **see the pace of the nation's economic contraction slowing and entering a recovery stage later this year.** **A survey of 45 economists** by the National Association for Business Economics (NABE) Outlook reported late last month **that the end of the recession is near.**

XT – Uniqueness – US Economy

US economy will weather current storm – new shocks could be disastrous

Reuters, “Strategists bracing for "recovery lite"”, **June 18**, 2009,

<http://www.reuters.com/article/InvestmentOutlook09/idUSTRE55H6C120090618>

NEW YORK (Reuters) - The severe U.S. recession is likely to end by year-end but the recovery will be weak and leave the economy vulnerable to new shocks, according to some of Wall Streets top strategists. Americans are trying to repair their household finances after losing trillions in home values and investments -- and as the savings rate goes up, spending will stay weak, strategists at the Reuters Investment Outlook Summit in New York said this week. Several strategists said the economy would likely grow by only 1 to 2 percent in 2010 after exiting what has been the longest recession in decades in the third or fourth quarter of this year. Dino Kos, a managing director of Portales Partners, said "2 percent would look really, really good" for 2010 given the economy's current profound weakness and the headwinds that still lie ahead.

XT – Uniqueness – A2: Health Care

Health care won't break the bank – Obama has it under control

UPI, "Obama: Healthcare reform deficit neutral", **June 15**, 2009, http://www.upi.com/Top_News/2009/06/15/Obama-Healthcare-reform-deficit-neutral/UPI-33951245099974/

He also stressed that healthcare reform would be deficit-neutral over the next decade, explaining how the price tag would be covered. Over the next 10 years, **\$635 billion will go toward the Health Reserve Fund that was included in the budget passed several months ago. More than half of the amount will come from revenue-raising efforts such as limiting the tax deductions the wealthiest Americans can take.**

Other changes and estimated savings over 10 years include:

- Introducing **competitive bidding into the Medical Advantage program, \$177 billion.**
- Use **Medicare reimbursements** to help reduce preventable re-admissions, **\$25 billion**
- **Generic** biologic **drugs** into the marketplace and asking well-off seniors to pay "a little bit more," **\$30 billion.**
- **More efficient purchasing** of prescription drugs, **\$75 billion.**
- **Rooting out waste, abuse and fraud** throughout the healthcare system, **\$1 billion.**
- **Adjusting Medicare payment** to reflect advances and productivity gains in the economy, **\$109 billion**

XT – Links – Health Care

Plan breaks the bank – reforming health care will cost over a trillion

Julie **Rovner**, “T-Word Looms Large In Health Care Cost Debate”, **June 19, 2009**, <http://www.npr.org/templates/story/story.php?storyId=105639790>

Everybody knew that a complete overhaul of the nation's health care system was going to be an expensive undertaking. But just how expensive started to become a little more clear this week when the Congressional Budget Office slapped a preliminary price tag of \$1 trillion over 10 years on an incomplete version of one Senate bill, and \$1.6 trillion on a competing measure. And the cost estimates have sent at least one key Senate committee back to the drawing board. Despite reassurances by President Obama and Democratic leaders that all new spending would be fully offset by other spending cuts or tax increases, Republicans immediately jumped on the T-word. **"Is a \$1 trillion government takeover of health care really worth it if it leaves at least 36 million Americans uninsured and forces at least 23 million Americans off their current plans?"** asked House Minority Leader John Boehner, ignoring the fact that **the numbers provided by the CBO did not include key provisions that would likely have significantly boosted the number of people newly covered by health insurance.** Sen. Johnny Isakson (R-GA) used a more colorful way to illustrate just how much a trillion is. **"If you converted dollars to seconds, and you said how many years will it take for a trillion seconds to pass, it's 317,097 years, 11 months and two days."** he said at a meeting of the Senate Health, Education, Labor and Pensions Committee.

Estimates are way off – full coverage costs will be astronomical

Michael F. **Cannon**, “How Much Will Universal Coverage Cost?”, May 26, **2009**, <http://www.cato-at-liberty.org/2009/05/26/how-much-will-universal-coverage-cost/>

President Barack Obama has declared that his goal in health care reform is “expanding coverage to all Americans.” So **what's the price tag on universal coverage? Some reformers are throwing around numbers like \$1 trillion or \$1.5 trillion. But according to the Urban Institute, the cost would be closer to \$2 trillion.** Jack Hadley and his colleagues estimate, **"If all uninsured people were fully covered [in 2008], their medical spending would increase by \$122.6 billion."** **If we assume that the cost of covering the uninsured will grow at the same rate the federal government assumes for all health spending growth** (6.2 percent), **then from 2010 through 2019, the cost of covering the uninsured would be \$1.8 trillion. That's at a minimum.** According to Hadley et al., **their estimate "is neither the cost of a specific plan nor necessarily the same as the government's costs, which could be higher, depending on plans' financing structures and the extent of crowd-out."** **Crowd-out is like collateral damage. When you're dropping money from the sky, some will inevitably strike innocent bystanders** (i.e., the insured). To ensure you hit the uninsured with \$122.6 billion, you need to drop a lot more than that amount. **Thus the full cost of covering the uninsured would be closer to** — and possibly well over — **\$2 trillion.**

XT – Links – Social Services

Social services are expensive – aff costs several billion

Brendan **Coyne**, “Lawmakers Continue Pushing Cuts to Social Spending, Taxes”, Oct 11, **2005**,
<http://newstandardnews.net/content/index.cfm/items/2469>

Oct. 11, 2005 – **Facing steep costs** associated with the cleanup of Hurricane Katrina and wars in Iraq and Afghanistan, together costing more than \$5 billion a month, **fiscally conservative legislators are seeking to roll back federal spending across the board with social programs taking the biggest hit**. At the same time, they are considering a new round of tax cuts to the wealthy. **By calling for all agencies to cut spending by 2 percent, House leaders are looking to slash funding for Medicare and programs other than those already slated for cuts** last spring. Earlier this year, **Congress approved budget measures cutting billions in spending on government health care and other social programs**, as well as billions in tax breaks favoring the rich, but lawmakers had been unsuccessful in negotiating a compromise bill before Hurricanes Katrina and Rita exposed serious problems in the national safety net.

XT – Links – A2: Turns

Current situation require restraint – investors will back out if spending increases

Daniel **Indiviglio**, Jun 19 2009, “This Isn't FDR's Deficit Or Spending”,
http://business.theatlantic.com/2009/06/this_isnt_fds_deficit_or_spending.php

Derek pointed out this morning that Krugman seems to have an interesting point that, during the Great Depression, the U.S. public was concerned about too much deficit spending -- just like they are now. Back then, they tried to tighten fiscal policy, and things got even worse. As a result, Krugman is praying that Obama and Congress will ignore the people and trust brilliant Keynesian economists like him. I'd argue, however, that a few key things make current deficit spending fears more legitimate than they were in the 1930s. For starters, let's compare our current national debt to 1935, when the stats Krugman cites indicate 70% of people wanted to reduce the national debt. It was a measly \$28.7 billion. As of May 31, 2009 it was \$11.3 trillion.

Let's take inflation into account. In May 2009 dollars, the 1935 national debt would have been \$446 billion. Closer, but it's still a mere 3% the size of our current U.S. debt. Another measure people like is national debt as a percentage of GDP. In 1935, the national debt was 39% of GDP; currently, it's very close to 80%.

My point here is that it's easy to argue that the public of the 1930s was out of line in complaining so loudly about the national debt. These days, those complaints might not be quite as naïve as Krugman thinks. Particularly since there is a fear that our international investors at some point might begin to question whether our debt levels are sustainable, and stop buying Treasuries. That's a genuine economic concern, no matter how silly Krugman thinks it is to worry about the national debt. The other legitimate complaint is about how the federal government is increasing spending. So far, the incredibly expensive stimulus package seems to have had very marginal results. Americans may also balk at the idea that universal healthcare is utterly necessary right now, if that means adding another trillion dollars to the national debt, which could be perceived very negatively by already wary international investors who buy our debt. I doubt China wants to front us for the money to pay for our universal healthcare.

XT – Links – A2: Turns – Health Care Specific

Health care won't save the economy – reform just makes current problem worse

Michael D. **Tanner**, “The Economic Case for Health Care Reform”, June 3, 2009, <http://www.cato-at-liberty.org/2009/06/03/the-economic-case-for-health-care-reform/>

There is nothing in Obamacare, however, that will reduce costs. In fact, expanding coverage may cause costs to rise. One study by MIT's Amy Finkelstein suggests that the prevalence of insurance itself has roughly doubled the cost of health care. So, if Obama succeeds in expanding insurance coverage, **it's very likely to increase the cost of care.** Take Massachusetts for example. Three years ago, Massachusetts governor Mitt Romney signed into law one of the most far-reaching experiments in health care reform since President Bill Clinton's ill-fated attempt at national health care. Proponents promised the reforms would reduce health care costs, suggesting the price of individual insurance policies would be reduced by 25-40 percent. In reality, however, insurance premiums rose by 7.4 percent in 2007, 8-12 percent in 2008, and are expected to rise 9 percent this year. This is compared to a nationwide average increase of 5.7 percent over the same three years. Nationally, on average, health insurance for a family of four costs \$12,700; in Massachusetts, coverage for the same family costs an average of \$16,897. In fact, **since the bill was signed, health care spending in the state has increased by 23 percent.** Thus, **despite individual and employer mandates, the creation of an insurance connector and other measures that increase insurance regulations, Massachusetts has failed to bring costs down.** President **Obama and Congressional leaders have endorsed expanding coverage in similar ways to Massachusetts. The proposals would undoubtedly make it easier for some people to get coverage, but would also raise insurance costs for the young and healthy, making it more likely they would go without coverage. This leaves two choices: revert to the individual mandate** (President Obama opposed the mandate as a candidate) **or increase subsidies to try to cut costs to young and healthy individuals, thereby adding to the already substantial cost of the proposed plans.** Ultimately, controlling costs requires someone to say “no,” whether the government (as in single-payer systems with global budgets), insurers (managed care) or health care consumers themselves (by desire or ability to pay). In reality, **any health care reform will have to confront the fact that the biggest single reason costs keep rising is that the American people keep buying more and more health care.**

XT – Internals – Spending Collapses Economy

Failure to curb the deficit leads to fast collapse of the global economy

Dapice 3-2-09 [David is associate professor of economics at Tufts University and the economist of the Vietnam Program at Harvard University's Kennedy School of Government, "Mounting US Debt Burden Threatens Poorer Nations", <http://yaleglobal.yale.edu/display.article?id=12040>]

President Obama has two related problems. One is to switch from stimulus to deficit-reduction mode without knowing when or how quickly the recovery will gain traction. The second is that over the next decade, the structural problems of Social Security and health care costs will begin to push up federal deficits a lot, no matter where the economy is in its business cycle. The second problem will require entitlement and perhaps overall health care reform in order to reach a solution. This has been attempted before, but without success. But if steps are not taken quickly, the outlook for the US debt burden and economy are poor. It is frankly uncertain what the prospects are for rapidly reducing the US budget deficit in either the short or the longer term. The rapid reduction in projected deficits in the next few years assumes much faster economic growth than most economists now expect, and thus the projections assume more tax revenue than would be collected if growth were slower. The revenue from carbon credits is also a large assumption. A sober assessment would be that the new Obama budget is a best-case scenario, but not the most likely case. To take one example, the stimulus promises to create or save 3.5 million jobs over the next two years. But the economy may lose more jobs from last November to May. Likewise, few believe that the home foreclosure-reduction program will do nearly enough. And the policy of injecting capital into large failing banks also has many doubters. In short, it seems as if the economy is deteriorating faster than counter-measure policies are gaining traction. With interest rates already near zero, it is not clear what else can be done except for printing more money. Over time, if health and pension reforms are slow in coming, expenditures will be higher or new taxes and fees will be lower than projected. This would compound the negative fiscal outlook and hasten the tipping point where creditors decided not to buy more US debt. At that point, the US could either print a lot more money or subject itself to the kind of austerity often suggested by the IMF for developing nations. Either would be painful – the first from a collapsing dollar and inflation; the second from lower government spending and higher taxes. A third path would be for the US to issue non-dollar debt. It might offer the Japanese debt denominated in yen, or the Germans debt in Euros, for example. This might put off hard decisions for a while, but then explicitly defaulting on debt (instead of inflating it away) would become a possibility. Everyone should hope for a quick US recovery and deficit reduction. This would revive global export markets; allow capital flows to return to emerging markets, and return the US and global economies to a sustainable path. But this scenario is not the most likely.

XT – Internals – Spending Collapses Economy

Current financial crisis and deficit levels will be contained – reversal leads to collapse

William **Branigin** and Neil **Irwin**, "Obama Touts Investing With 'Long-Term Perspective'", **3-3-09**,
<http://www.washingtonpost.com/wp-dyn/content/article/2009/03/03/AR2009030301295.html>

"Although progress has been made on the financial front since last fall, more needs to be done," Bernanke said. "Whether further funds will be needed depends on the results of the current supervisory assessment of banks, the evolution of the economy and other factors. The administration has included a placeholder in its budget for more funding for financial stabilization, should it be necessary." With that and fiscal stimulus spending, the government debt will likely approach 60 percent of gross domestic product, up from 40 percent before the financial crisis and the highest since the years after World War II. Bernanke said that debt ratio makes it all the more important to contain deficits in the future to maintain credibility among the investors worldwide who buy U.S. government debt. But he gave a strong endorsement to continued -- and expensive -- efforts to deal with the crisis in the near term. "We are better off moving aggressively today to solve our economic problems," Bernanke said. "The alternative could be a prolonged episode of economic stagnation that would not only contribute to further deterioration in the fiscal situation, but would also imply lower output, employment and incomes for an extended period." But, he added, "maintaining the confidence of the financial markets requires that we begin planning now for the restoration of fiscal balance." He said the government will need to withdraw the temporary parts of the fiscal stimulus as the economy recovers, and spending on stabilizing the financial system must "wind down."

XT – Impacts – Nuclear/Biological War

Economic decline causes nuclear and biological war

Kerpen, 10-28-08

[Phil, “From Panic to Depression?”, NRO Financial,

<http://74.125.95.132/search?q=cache:qPZkMUK8oTwJ:article.nationalreview.com/%3Fq%3DOWQ3ZGYzZTQyZGY4ZWFiZWUxNmYwZTJiNWVvMTIxMmU%3D+%22important+that+we+avoid%E2%80%9D+%E2%80%9Con+an+even+greater+scale%E2%80%9D&hl=en&ct=clnk&cd=1&gl=usv>]

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

XT – Impacts – Nuclear War

Economic collapse leads to nuclear war

Friedberg and Schoenfeld 10-21-08

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

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.**

XT – Impacts – Terrorism

Economic growth key to prevent terrorism

Fingar, November, 2008

[C. Thomas Fingar, Chairman, National Intelligence Council “Global Trends: A Transformed World”,
http://www.dni.gov/nic/PDF_2025/2025_Global_Trends_Final_Report.pdf]

Terrorism: Good and Bad News **Terrorism** is unlikely to disappear by 2025, but its appeal **could diminish if economic growth continues and youth unemployment is mitigated in the Middle East. Economic opportunities for youth and greater political pluralism probably would dissuade some from joining terrorists’ ranks**, but others— motivated by a variety of factors, such as a desire for revenge or to become “martyrs”— will continue to turn to violence to pursue their objectives. “For those terrorist groups active in 2025, the diffusion of technologies and scientific knowledge will place some of the world’s most dangerous capabilities within their reach.” In **the absence of employment opportunities and legal means for political expression, conditions will be ripe for disaffection, growing radicalism, and possible recruitment of youths into terrorist groups.** Terrorist and insurgent groups in 2025 will likely be a combination of descendants of long-established groups— that inherit organizational structures, command and control processes, and training procedures necessary to conduct sophisticated attacks—and newly emergent collections of the angry and disenfranchised that become self radicalized. **As long as turmoil and societal disruptions, generated by resource scarcities**, poor governance, ethnic rivalries, or environmental degradation, **increase in the Middle East, conditions will remain conducive to the spread of radicalism and insurgencies.** Future radicalism could be fueled by global communications and mass media. Increasing interconnectedness will enable individuals to coalesce around common causes across national boundaries, creating new cohorts of the angry, downtrodden, and disenfranchised. In some situations **these new networks could act as forces for good by pressuring governments through non-violent means to address injustice, poverty**, the impacts of climate change, and other social issues. Other groups, however, could use networks and global communications to recruit and train new members, proliferate radical ideologies, manage their finances, manipulate public opinion, and coordinate attacks.

Nuclear terrorism causes extinction

Sid-Ahmed '04 [Mohamed, Al-Ahram Weekly Political Analyst, Aug 26, <http://weekly.ahram.org.eg/2004/705/op5.htm>]

What would be the consequences of a nuclear attack by terrorists? Even if it fails, it would further exacerbate the negative features of the new and frightening world in which we are now living. Societies would close in on themselves, police measures would be stepped up at the expense of human rights, tensions between civilisations and religions would rise and ethnic conflicts would proliferate. It would also speed up the arms race and develop the awareness that a different type of world order is imperative if humankind is to survive. But the still more critical scenario is if the attack succeeds. This could lead to a third world war, from which no one will emerge victorious. Unlike a conventional war which ends when one side triumphs over another, this war will be without winners and losers. When nuclear pollution infects the whole planet, we will all be losers.

XT – Disad Turns the Case – Global Poverty

Economic collapse leads to global poverty and social unrest

Bree **Freeman**, “Economic Crisis Fueling Social Unrest”, March 5, 2009,
<http://www.globalenvision.org/2009/02/24/economic-crisis-fuels-social-unrest>

It's a lot worse than just about everyone thought. By some estimates, **the economic crisis could cost 50 million jobs worldwide.** That's a catastrophic number, and even their potential loss is already fueling some discontent and sounding alarms. Worried about the ripple effects of widespread unemployment, **the U.S. Central Intelligence Agency recently added the state of the economy to the agency's list of top security threats.** Retired Admiral Dennis Blair, the U.S. Director of National Intelligence, warned that **"economic crises increase the risk of regime-threatening instability if they persist over a one-to-two-year period."** On the international stage, United Nations Secretary-General Ban Ki-moon voiced his concern: "If not handled, today's financial crisis will become tomorrow's human crisis. **Social unrest and political instability will grow, exacerbating all other problems."** **Violent flare-ups over the economic recession and resulting unemployment are already occurring all over the globe.** In **Pakistan**, chronic **power outages have forced many textile factories to close down** for hours at a time, triggering thousands of angry protesters to set fire to the state-owned power company's office. **Government cuts in Lithuania's social programs prompted protesters** to pelt the parliament building with eggs and rocks ; at least 14 people were injured and 84 detained. **Chinese police officers are now undergoing special training to deal with expected social unrest** over factory closings that have left millions of migrant workers out of a job. **Iceland and Latvia serve as extreme examples of the devastating consequences from the declining state of the worldwide economy: both countries' respective governments collapsed under the pressure of the economic crisis.** However, security experts are concerned about other forms of collateral damage that extend beyond protests. Bruno Tertrais, a strategic and security expert at the Foundation for Strategic Research in Paris tells Time Magazine that he believes **the biggest threat to international security is "the collapse of regimes vital to maintaining international order."** Tertrais cites Somalia as an example — a place where, after the collapse of its government, piracy has gained a foothold and severely disrupted shipping routes along the horn of Africa. **Extreme poverty has always posed a threat, especially in the world's emerging economies.** However, **the breadth and force of the current global economic crisis poses a threat to all nations, whether rich or poor.**

XT – Disad Turns the Case – Health Care

Weak economy hurts health care services

Gold is senior portfolio group analyst for Standard & Poor's Equity Research, **Englander** is an analyst for Standard & Poor's Equity Research Services, **and Seligman** is an equity analyst following managed health care and other health-care companies for Standard & Poor's Equity Research Services, "Financial Crisis Hits Health-Care Companies", Nov 28, **2008**, http://www.businessweek.com/investor/content/nov2008/pi20081126_889656_page_2.htm

It has also hurt their ability to pay for health care services they do incur during these times, resulting in increases in the incidence of health care-related bad debt. While in past periods of economic weakness health care was fairly resistant to downturns, **given the increased influence of managed care and higher amount of cost sharing in the form of co-pays and deductibles, this appears to be less the case now. These factors have begun to ripple through the health care system, impacting hospital, medical equipment, and managed health care companies.**

*****Affirmative*****

A2: Spending DA – No Uniqueness – Deficit

Non-unique – US deficits already off the charts

Associated Press (AP), “US debt rating maintained at highest level by S&P”, June 18, 2009,
http://www.google.com/hostednews/ap/article/ALeqM5i0IF6m_vPRn1DAdWaSL_p-Sg85jwD98T1K782

Concerns about the ballooning budget deficit in the U.S. have swelled as the Obama administration splashes out billions rescuing the financial system from its worst crisis since the 1930s and dealing with the worst recession in decades. Under the administration's budget estimates, **the \$1.84 trillion deficit this year will be followed by a \$1.26 trillion deficit in 2010** and will never dip below \$500 billion over the next decade. The administration estimates **the deficits will total \$7.1 trillion from 2010 to 2019.**

Obama's total plans will be 9 trillion plus – prefer predictive evidence

Wall Street Journal, “Cheering for a Massive Deficit?”, June 17, 2009,
<http://online.wsj.com/article/SB124528124880225303.html#articleTabs%3Darticle>

A calm Sunday breakfast might have been ruined after a glance at The Washington Post's front page on June 14. A chart below the fold explained that **under Obama's federal spending proposals, the United States would be required to borrow \$9 trillion during the next decade. That's \$9,000,000,000,000.** The Post compared that, in today's dollars, to the financial burden of World War II: \$3.6 trillion. **That's not all of Obama's spending plan. That's only the part that's in the red.** Is it any wonder that a recent Gallup poll found more people disapprove rather than approve of Obama's handling of the deficit? But we've only just begun. Now President Obama wants to add another enormous chunk of government health-care spending. The Congressional Budget Office projects that **the latest Democratic bill in the Senate would add another one trillion dollars to the budget over the next decade, and** they suggest **that's only a partial estimate.** Remember when the Democrats and their media allies wailed about how the Iraq war wastefully drove up the national debt? The Post's chart estimated **that the Iraq war costs from 2003-2008 totaled \$551 billion, a pittance compared to the massive load of debt the Democrats want to pass right now. And they want to pass it at breakneck speed, so just like the "stimulus" bill, it will become law before the public learns its manifold outrages.**

A2: Spending DA – No Uniqueness – Deficit

Obama won't be able to cut the deficit – incredibly overestimated

Janet **Hook** and Peter **Nicholas**, "President Barack Obama's pledge to cut deficit in half a huge challenge", Feb 26, 2009, http://www.courant.com/news/nationworld/chi-budget_thursfeb26,0,6286182.story

Even before the details of Obama's budget were released, **his deficit-reduction target has been viewed with skepticism in a variety of quarters. It has been criticized for relying on overly optimistic assumptions, failing to be sufficiently ambitious** and creating a marker that will be used against him in four years if he fails. **"It's going to be very tough."** said Robert Reischauer, former director of the Congressional Budget Office. "It's going to require either some significant cutbacks in low-priority programs or a failure to enact some of his signature programs." **"I don't see how he can do it," said William Gale, a tax policy expert at the Brookings Institution whose own analysis has found that even with the most optimistic assumptions, he would expect the deficit to be \$850 billion in 2013. He believes that it is almost surely an underestimate because his calculations assume the economy will not worsen and another stimulus bill will not be needed.** Obama has suggested that the biggest building blocks of his deficit-reduction efforts will be increasing taxes on upper-income people, scaling back the Iraq War and making spending cuts that presumably will be specified when the budget comes out. He said in his speech to Congress on Tuesday that his administration had identified \$2 trillion in trims. **The war in Iraq now costs \$10 billion a month, but savings from the withdrawal will be more limited because thousands of "residual" troops will remain; the process of withdrawing also would carry its own costs;** and Obama plans to increase troop levels in Afghanistan.

A2: Spending DA – No Uniqueness – US & Global Economy

Global and US economy weak and current measures will exacerbate the crisis – prefer predictive evidence

WSJ, “Fed’s Warsh Offers Bleak Outlook for Global Economy”, **June 16**, 2009,

<http://blogs.wsj.com/economics/2009/06/16/feds-warsh-offers-bleak-outlook-for-global-economy/>

Warsh’s bleak outlook wasn’t limited to the U.S. The global economy, he said, “runs the risk of being mired in a period of slower growth for several years to come.” As is usually the case during recoveries, capital and labor tend to shift across industries. In the case of the current recession, those “misallocations” were serious, and thus “there is good reason to believe that the period of reallocation will be deeper and last longer.” Noting that finance and housing sectors are already shrinking in size, Warsh warned that “efforts to forestall those changes .. are unlikely to succeed as promisingly as advertised.” “But perhaps a larger risk is that changes in public policies may, in the pursuit of stability, hold down the growth of the U.S. economy over this period.” he said. Warsh’s worry is that in a rush to insure against “rare bad events” from occurring, policymakers may take steps like persistently expanding the role of government or reducing international trade, which may rob the economy of its ability to achieve strong growth over the long run. “Stability is a fine goal, but it is not a final one,” he said.

Global economy weak

Press Association 3-19-09 [“Global economy faces shrinkage”,

<http://www.google.com/hostednews/ukpress/article/ALeqM5havFLnWDo7-FxHEwMSAp1wfSq5hg>

The global economy is on track to shrink by up to 1% this year in the first worldwide contraction for 60 years, the International Monetary Fund (IMF) has warned. In a gloomy report to the G20 countries, the IMF made a severe downgrade to previous predictions, forecasting global activity to decline by around 0.5% to 1% this year. It said advanced economies would see their sharpest declines in the post-war era as the “prolonged financial crisis has battered global economic activity beyond what was previously anticipated”. The G7 advanced economies are predicted to contract by as much as 3% to 3.5% this year before recovering slightly in 2010, with growth of up to 0.5%, said the IMF. And it calls for co-ordinated rescue efforts, with further large stimulus packages needed and quickly. The efforts so far are “sizeable”, but fall short of the 2% of aggregate GDP in 2009 and 2010 recommended by the IMF. “In the event of further delays in implementing comprehensive policies to stabilise financial conditions, the recession will be deeper and more prolonged, notwithstanding macroeconomic policies aimed at bolstering demand,” it cautioned. The latest forecasts follow analysis released on Wednesday by the IMF showing the recession in Britain will be longer lasting than in any other major economy. It predicts the UK will be among the worst hit, with a contraction of 3.8% in 2009. Japan is forecasted to be the only major economy that will fare worse this year, contracting by 5%., according to the IMF.

A2: Spending DA – No Uniqueness – US Economy

Non-unique – US economy already weak for a slew of reasons

US News & World Report, “Why Obama’s big economic gamble is failing”, June 19, 2009,
<http://www.ibtimes.com/contents/20090619/why-obamabig-economic-gamble-is-failing.htm>

Presidential gamble. In short, Obama wagered that the deluge of money coming from the Federal Reserve would do the heavy lifting as far as stabilizing the financial sector and keeping the already apparent recession from turning into a real disaster. Voters would, thus, continue to support his policies to assert more government control over healthcare, heavily regulate energy through a costly cap-and-trade program and further intervene into the financial industry. **The gamble appears to have failed miserably**, both **economically** and politically. **The terrible tale of the tape: a) the current downturn is arguably the worse since the Great Depression; b) household wealth has fallen by \$14 trillion** during the past two years, including the first quarter of 2009; c) while the economy may not shrink as much this quarter as it did in the previous three months (-5.7 percent) or the final quarter of 2008 (-6.3 percent), **unemployment is soaring**; d) Obama himself said **the jobless rate will hit 10 percent this year**; d) even worse, **the Federal Reserve sees it approaching 11 percent next year**. (Recall, that the original White House economic analysis of the Obama economic plan never saw unemployment exceeding 8 percent if Obamanomics was passed by Congress.) Falling public support. So now many Americans are rightfully wondering just what they are getting for that \$800 billion, as well as massive budget deficits as far as the eye can see. And it goes beyond the mercurial world of polling. Pricey plans to deal with perceived climate change and healthcare are also appear on the ropes or are being scaled back as voters view them as lower priorities than job creation and taming out-of-control spending. Green shoots? Oh there are some to be sure. Just yesterday, the Conference Board said its index of leading economic indicators rose by its biggest monthly amount in five years And the stock market is up nearly 40 percent from its lows as depression fears ebb. Gluskin Sheff economist David Rosenberg, by contrast, declares that the “era of the green shoots is over.” He points out that 1) bellwether FedEx described the economy as “extremely difficult” when it reported disappointing earnings , 2) United Airlines said second quarter traffic fell as much at 10.5 percent, 3) commercial real estate loan concerns led S&P to cut ratings on 22 non-“too big too fail” regional banks; 4) **incomes are being pinched by rising gas prices**, and 5) **surging interest rates are refreezing the housing market**. Too little, too late. Then, of course, **there is rising unemployment, which is either a lagging indicator of an economy slowly on the mend or a forward indicator of a possible double-dip recession**. Either way, **it takes a long time for economic perceptions to change after a nasty downturn**. Just ask all those congressional Democrats who lost their jobs in 1994. Even though the economy had then been growing for 14 straight quarters since the 1990-91 recession and the unemployment rate was down to 5.8 percent from a high of 7.8 percent, 72 percent of Americans still thought the economy was “fair” or “poor” and 66 percent though the nation was headed in the wrong direction. What do you think the national mood will be like on Election Day 2010 if unemployment is over 10 percent, gas prices near \$4.00 a gallon and homes prices moribund? Certainly by then, the effectiveness of the “Blame Bush” mantra will have hit its expiration date for Obama and the rest of the Democratic Party.

No growth – US economy incredibly weak due to unemployment

WSJ, “Fed’s Warsh Offers Bleak Outlook for Global Economy”, June 16, 2009,
<http://blogs.wsj.com/economics/2009/06/16/feds-warsh-offers-bleak-outlook-for-global-economy/>

In a strikingly gloomy assessment, U.S. Federal Reserve governor Kevin Warsh warned Tuesday that key pillars of U.S. growth could disappoint for “several” quarters with unemployment stubbornly high. And the weakness may not simply be temporary, he warned, especially if policymakers sacrifice economic growth in the name of achieving stability in the short run. In prepared remarks to the Institute of International Bankers, Warsh noted that financial conditions have improved since March coinciding with the “proverbial green shoots of spring.” “I, like you, am rooting for the positive trend to continue,” Warsh told the bankers. “But, in my estimation, **the rather indiscriminate bounce off the bottom — across virtually all assets and geographies — may be more indicative of a one-time reset, which may or may not be complete**,” he said. In particular, Warsh warned that **the “trauma” of consumers and businesses “should not be underestimated.”** “Notwithstanding recent encouraging signs that the contraction is abating, **I would expect business capital expenditures and consumer spending to disappoint for the next several quarters**,” he said. Meanwhile, **unemployment may linger at higher levels than in recent recessions**. Warsh said, adding **“the “jobless recovery” may prove to be a familiar and vexing refrain.”** **The economy’s natural unemployment rate, which was thought before the crisis to be about 5%, could trend higher**, he said.

A2: Spending DA – Link Turn – Health Care***

Turn: Reforming health care is critical to economic growth and cutting spending – prefer expert consensus

Joel **Wendland**, “Economists, small business owners say health reform key to economic revival”, People's Weekly World Newspaper, **06/17/09**, <http://www.pww.org/article/articleview/16039/>

The idea that the US can't afford comprehensive health care reform during a recession, as pushed by some opponents of President Obama's call for reform this year, **is flat out wrong, said a statement signed by more than 330 economists and released this week by the Institute for America's Future.** On the contrary, **health care reform would help revitalize the economy and remove a major barrier to long-term dynamic growth: the rapid growth of health insurance and health care costs**, the statement indicated.

"Affordable coverage with good benefits," the statement read, **"will give cash-strapped lower and middle-income Americans greater financial security – and the ability to pay their mortgages, start small businesses, save for college, pursue new job opportunities, and make other choices that will benefit our economy."** The long-term costs of the current broken health care system drag on the economy, drain investments in innovation, and add to the federal deficit by driving up Medicare and Medicaid COSTS. Another long-term benefit is that health reform would generally improve the health of American workers. **"Reforming the system through new emphasis on prevention, chronic disease management and effective treatments will eliminate wasteful spending and build a healthier, more productive workforce,"** the experts agreed. **In addition, meaningful reform would help businesses survive in a difficult period. "Ensuring health security for all will allow workers to move to those jobs that fit them best,"** not just those that provide health insurance, promoting entrepreneurship and labor market productivity," the economists insisted.

A2: Spending DA – Resilience

US economy resilient – empirically proven by several crisis

Max **Boot** is a contributing editor to Opinion and a senior fellow at the Council on Foreign Relations, “Don't sell America's economy short”, September 24, **2008**, <http://www.courant.com/topic/la-oe-boot24-2008sep24,0,2129117.story>

So far, Main Street has shown a surprising amount of resiliency given the problems of Wall Street. Even if the economy eventually succumbs to recession, as now appears more likely, it will bounce back before long. It always has. There have been plenty of crises in the past -- the stagflation and oil-price spikes of the 1970s, the savings and loan debacle and soaring trade and budget deficits of the 1980s, the popping of the dot-com bubble and the terrorist attacks in the early 2000s -- that led many observers to predict that the United States would soon go the way of Rome. What the pessimists ignore is that the fundamentals of the U.S. economy remain strong. Indeed, the World Economic Forum has ranked the United States as the world's most competitive economy for the last two years. (The new survey comes out next month.) Its statistics show that per-capita gross domestic product in the U.S. consistently has grown faster than in other developed economies since 1980.

A2: Spending DA – Impact Defense

No relation between economic collapse and war

Ferguson, '6 [Niall, Laurence A. Tisch Professor of History at Harvard University and a Senior Fellow at the Hoover Institution at Stanford University, Foreign Affairs, September/October, Vol. 85, Issue 5]

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

Duedney, Hewlett Fellow, **91** [Daniel, Hewlett Fellow in Science, Technology, and Society at the Center for Energy and Environmental Studies, Princeton University, "Environment and Security: Muddled Thinking," The 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.