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### File Notes

The Fiscal Discipline Disadvantage argues that the plan’s increase in spending is irresponsible and will cause negative economic effects. This argument contends that in the status quo, the United States’ fiscal health is improving. While our national debt is large, the new administration is taking steps to rein in spending in the new budget. However, the plan massively increases spending, particularly in the case of the Title I affirmative, which disrupts this commitment to fiscal discipline. Continuing to spend without restraint will scare off investors and cause the value of the dollar to drop. This would create massive international economic instability, including a recession. Affirmative answers are included in the bottom of the file. The aff has six main arguments: first, that budget deficits are high now and that Trump is not reducing them; second, that spending helps the value of the dollar; third, that the value of the dollar is already collapsing; fourth, that it wouldn’t matter even if it did collapse, fifth, that there is no impact to economic collapse, and finally that global cooperation is already low because of other issues.

### Glossary

Budget: an estimate of income and expenditure for a set period of time.

Bureaucratic: overly concerned with procedure at the expense of efficiency or common sense.

Debt: something, typically money, that is owed or due.

Deficit: the amount by which expenditures exceed revenue in a given budget (typically yearly).

Depression: a depression is a sustained, long-term downturn in economic activity in one or more economies. It is a more severe economic downturn than a recession, which is a slowdown in economic activity over the course of a normal business cycle.

Dollar crisis: a fall in the exchange rate for the US dollar.

Dollar Hegemony: an economic and political concept in which a single state has decisive influence over the functions of the international monetary system.

Exchange Rate: the value of one currency for the purpose of conversion to another.

Fiscal: relating to government revenue, especially taxes.

Fiscal Discipline: the capacity of a government to maintain smooth financial operation and long-term fiscal health.

Fiscal Stimulus: An increase in public spending or a reduction in the level of taxation that might be performed by a government in order to encourage and support economic growth.

Recession: when the economy declines significantly for at least six months.

Red Tape: excessive bureaucracy or adherence to rules and formalities, especially in public business.

## 1NC Shell

**Fiscal Discipline – 1NC (1/3)**

**A. Uniqueness: Trump’s budget signals our commitment to fiscal health – education cuts are key**

**Boccia et al 5/23/17** (Romina, Thomas Spoehr, Michael Sargent, Robert Moffitt, Lindsey Burke, Policy Analysts @ Heritage Foundation, "Heritage Experts Analyze Trump's Budget," <http://webcache.googleusercontent.com/search?q=cache:tsys7BhRhBMJ:www.heritage.org/budget-and-spending/commentary/heritage-experts-analyze-trumps-budget+&cd=1&hl=en&ct=clnk&gl=us>)

Balancing the Budget "**The president's budget seeks to balance in no more than 10 years. This is a laudable and important goal** that fiscal conservatives should keep their eye on. **The budget does this in part with sensible mandatory spending reforms** to Medicaid, welfare and disability programs. This budget proposal also follows the right approach on discretionary spending, by prioritizing national defense in a fiscally responsible way, with offsetting cuts to domestic programs that are redundant, improper, or otherwise wasteful. As is so often the case, however, the devil is in the details. Long-term budget solvency must include reforms to the largest entitlement programs: Medicare and Social Security. These programs alone consume 4 of every 10 federal dollars, and they are expanding. Moreover, this budget would rely on $2 trillion in economic feedback effects for deficit reduction, a figure that is highly uncertain. Greater spending cuts would have lent more fiscal credibility. **Overall, this budget takes important strides toward cutting the federal government down to size**." —Romina Boccia, Deputy Director of the Thomas A. Roe Institute for Economic Policy Studies and the Grover M. Hermann fellow in federal budgetary affairs Defense “Though the White House is right to call for more, much-needed defense funding, $603 billion represents only a $16.8-billion increase from the Obama administration’s meager planned defense spending for 2018. A $603 billion budget for 2018 might be enough to stop the immediate deterioration and cuts in forces, but it will certainly not be enough to reverse the ravages already experienced. Perhaps the most heartening thing about this request is the administration’s follow-through on its expressed intent to repeal the defense budget caps set by the Budget Control Act of 2011, which have been both disruptive and destructive to military readiness. The U.S. military—in both size and readiness—has shrunk to historically low levels, all while its budget has been held hostage to domestic policy whims. Naysayers downplay the poor state of the military. But those who deny the existence of readiness problems are contradicted by the repeated testimony of dozens of senior uniformed and civilian military leaders. Those leaders uniformly agree that today’s military is desperately overtaxed and under-resourced. As the Heritage Foundation’s Index of U.S. Military Strength reports, today our armed forces would be severely challenged to execute our defense strategy with the current force. The Heritage Foundation has proposed a 2018 funding level of $632 billion. It includes proposals for defense reform and savings to help restore our military’s strength and punch. Lawmakers finally need to demonstrate that they take the duty to provide for the common defense quite seriously. Lip service is not enough. We must begin to provide our men and women in uniform the equipment and resources they need to defend our country. Congress must hear and heed the Pentagon’s candid voice in the upcoming budget debates. And lawmakers must then act to begin rebuilding our depleted military now.” —Thomas Spoehr, Director of Heritage's Center for National Defense Transportation and Infrastructure “The administration’s budget contains a number of laudable transportation and infrastructure proposals that reform wasteful or improper programs while empowering states and the private sector to meet the nation’s burgeoning transportation needs. Many of the reforms were recommended by the Heritage Foundation in its roadmap for $1.1 trillion in infrastructure investment and Blueprint for Balance, including: structural reform of our outdated Air Traffic Control system; reforming the wasteful Essential Air Service program; and auctioning off valuable spectrum for private use. Also encouraging is the proposal to reform the financing of the nation’s inland waterways infrastructure, which has long required modernization. “However, many questions about the Administration’s signature infrastructure proposal remain. Worrisomely, the budget includes an additional $200 billion in spending as a placeholder for ‘private/public infrastructure investment’ with few details as to how the funds will be allocated. Details regarding the plan and whether they will be offset with meaningful cuts elsewhere will be crucial in evaluating the plan and ensuring a repeat of the 2009 stimulus boondoggle is avoided. In addition, the Budget includes a proposal to assume Highway Trust Fund spending levels fall to revenue levels—a savings of $15 billion to $20 billion per year. While limiting trust fund spending to revenues would be excellent policy, it is highly unlikely Congress will decide to rein in its overspending out of the Highway Trust Fund, which it has carried on for nearly 10 years. Simply assuming these savings will accrue without putting forward a substantive proposal to ensure that Congress stops its mismanagement of the trust fund would represent a nearly $100 billion budget gimmick and cannot be considered to have a real budgetary impact. “While the Budget contains many worthwhile reforms, more details regarding the administration’s infrastructure proposal are required in order to form a comprehensive evaluation of the administration’s infrastructure agenda.” —Michael Sargent, Policy Analyst in Heritage's Institute for Economic Freedom and Opportunity Education “**The Trump administration’s full budget for education** for FY 2018 **would make some long-overdue cuts at the Department of Education, eyeing reductions in spending totaling $9.2 billion** – a 13.6 percent cut in the agency’s current $68 billion annual budget. **That type of reduction signals a serious commitment to reducing federal intervention in education** – a necessary condition to make space for a restoration of state and local control.” —Lindsey Burke, Director of Heritage's Center for Education Policy

**Fiscal Discipline – 1NC (2/3)**

**B. Link: Increases in federal education spending crush US fiscal restraint**

**Burke 12** (Lindsey, Education Policy Analyst @ Heritage Foundation, "FACT CHECK: Secretary Arne Duncan on Education Cuts," 9/10, http://dailysignal.com/2012/09/10/fact-check-secretary-arne-duncan-on-education-cuts/)

**There is ample room to trim bureaucracy at the Department of Education**. And **it would be bad policy to continue blindly increasing federal education spending**. The Obama Administration has been on an education spending binge for the past three and a half years: a nearly $100 billion bonus to the department in 2009 through the “stimulus,” a $10 billion public education bailout the year after that, and now a proposed $70 billion education budget (up from $68 billion) with $60 billion in supplemental spending. **Taxpayers cannot afford to continue financing the federal government’s failed experiment in education intervention**. Like most federal policy areas, some **fiscal restraint is needed** **in education spending.** A better approach would be to give states more control of their share of federal education funding and allow for flexibility. Schools would get far more bang for their bucks with flexibility than by continuing to filter money through 150 bureaucratic federal education programs.

**C. Internal Link: Any further fiscal expansion sparks a dollar crisis**

**Macleod 2/24/17** (Alasdair, financial analyst @ Gold Eagle, "Global (economic) warming," <http://news.goldseek.com/GoldSeek/1487954873.php>)

These are just some of the upcoming challenges facing America at the macro-level. If the economy was on its uppers, Trumpenomics could be reasonably compared with Reaganomics. But that is not the case. **The economy is operating close to capacity**, by which we mean that **any further fiscal** and monetary **expansion will begin to create supply bottlenecks and economic overheating**. Commodity prices are already rising, driven by Asia’s regeneration. **An accelerating US budget deficit, at this stage of the credit cycle, seems certain to lead into a dollar crisis**, not in the distant future, but brought forward to later this year, taking US Treasury bond prices down with it. Bond yields will rise **The potential for rising dollar nominal bond yields, being suppressed too low** for this advanced stage of the credit cycle, **is great and brings systemic dangers**. American and international corporations rated at or close to junk will be threatened with bankruptcy. Investment-grade bonds will in turn become junk. Today’s level of private sector debt is simply unaffordable at much above zero interest rates. The effect of higher bond yields on government finances will be most unwelcome at a time of escalating US budget deficits. Worse still will be the effect on euro-denominated bond yields. A rise along the euro yield curve of not much more than one or two per cent could force the ECB into recapitalising itself at a most embarrassing juncture, and the survival of some major Eurozone banks, which have accumulated mountains of Eurozone sovereign debt on slender capital bases, will also be threatened. And this is before we consider the financial consequences of a European Union that’s threatening to split up, raising questions about the euro’s own future. It is hard to avoid the conclusion that Trump’s tax and infrastructure plans will bring forward the end of the dollar’s current credit cycle, and those of the euro and sterling with it, into a new crisis phase. A falling dollar will drive the gold price Whether or not the dollar rises or falls against other currencies is not the point, the point is its purchasing power is already declining against a basket of industrial materials, and therefore gold. This remains true even if Trump wises up to the risks he is creating, because China’s demand for natural resources and energy is already driving commodity prices higher. **Given the risks the dollar now faces in the coming months**, **it is hardly surprising the gold price is rising**, after its weakness in the final quarter of last year. It has surprised many market observers that a higher interest rate outlook, accentuated by Trump’s plans, has failed to stop the gold price rising. And here we come across something else that most Western-centric market commentators fail to appreciate. At the margin, Asian governments and their peoples prefer physical gold to dollars. Dollars are for transactions, when you take them in payment and then pass them onto someone else in exchange for goods and services. Gold is for keeping, and saving for the financing of capital projects, the collateral of last resort for borrowing depreciating dollars. Looked at that way, it is understandable that Asia will continue to dump its excess dollars for gold. China has been expecting the switch out of dollars into gold for a considerable time. Indeed, it has contributed to it by setting up the Shanghai Gold Exchange, to give its own citizens the chance to protect themselves from declining fiat currencies by accumulating gold. More recently, it has introduced an international futures contract, pricing gold in yuan. It intends to do the same with oil futures but has deferred that part of the plan. China’s energy suppliers, receiving yuan, would be able to sell the yuan forward against oil, buy gold futures and take delivery of physical gold. This would badly undermine the dollar, and China is not yet ready for that eventuality, because she has too many dollars in her reserves. China still has about $1 trillion of US Treasuries and T-bills, which it is converting into commodity and energy stockpiles. Obviously, it will want to reduce its UST and T-bill holdings further, before it effectively pulls the plug on the dollar by launching the oil futures contract. Furthermore, China will probably wait to see what a meeting between Presidents Xi and Trump yields before launching the promised oil futures contract anyway. To summarise…. The global economy recovered during 2016, driven by China’s mercantilist plans. So massive has this stimulus been, that in the near future a danger is developing of supply bottlenecks in key commodities. **The US economy has finally begun to perform reasonably well**, despite what the doomsayers have been telling us. The Trump stimulus, if carried through, is not only too much too late, it is conflicting and downright dangerous. US interest rates should have already been raised by now to more normal levels, but the normalisation of rates risks triggering a crisis through a mass liquidation of malinvestments. This may be the reason for the Fed’s reluctance to raise them to the correct level. Furthermore, **with a widening budget deficit in prospect, it is hard to see how US Treasuries will avoid tipping into a vicious bear market. The risk is of a perfect storm.**

**Fiscal Discipline – 1NC (3/3)**

**D. Impact: Dollar crisis destroys global cooperation and risks US-China nuclear conflict**

**Porter 6** (Dave, 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" 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," we need to give our children the skills to get through such a crisis.

## Uniqueness

**Spending Cuts/Balanced Budget Now – Trump**

**Trump’s budget will balance the deficit and reduce the debt – spending cuts are key**

**Andrade 5/24/17** (Juan Pablo, advisor on President Trump's Hispanic Advisory Council and National Diversity Coalition and a spokesman for America First Policies, "Trump's budget proposal truly puts America first," http://thehill.com/blogs/pundits-blog/economy-budget/334793-trumps-budget-proposal-truly-puts-america-first)

**Unlike any budget proposal in the past, this budget will achieve balance within the 10 year budget window, and will also guarantee reduction in our national debt**. Economic policies during President Obama's tenure, in contrast, resulted in a near doubling of the national debt, from $10.6 trillion in 2009 to nearly $20 trillion in 2016. **Trump's policies will not only drive down wasteful spending, but also grow the economy. The spending reductions in his budget are reflective of Trump's charge to reduce the size of the federal government workforce and create a leaner, more accountable, less intrusive, and more effective government. Government agencies and departments will experience cuts, but they are sensible and rational**. It makes sense, because every agency and department will be driven to achieve greater efficiency and to eliminate wasteful to ease the tax burden. A large portion of the budget will be dedicated to border security and immigration enforcement, including over $2.6 billion in new infrastructure and technology investments to give the U.S. Customs and Border Protection front line law enforcement officers the tools they need to deter, deny, identify, track, and resolve illegal activity along the border. This portion of the budget includes new and replacement border wall in locations identified by Border Patrol, to impede the flow of illegal crossing. The southern border wall is of top importance in this budget. It's one of Trump's earliest proposals, and one of the big reasons voters elected him president. On top of the wall and adding CBP officers for boots-on-the-ground efforts, the budget will be investing in aircraft and other aviation assets to further help identify and track border crossings and other illegal activity to support enforcement actions on the ground. In addition to immigration enforcement spending, defense spending is vital. And quite frankly, has been neglected by previous administrations. Our military is at its smallest since before World War II, a fact that needs to change. Each year that passes, our enemies become more advanced, as should we. We need to be ready and prepared to take on any threats, both here and abroad. **Trump's budget truly puts America First, with a focus on protecting our citizens while reducing the tax burden on all Americans**. The media will continue to attack the administration, but as always, the president will continue to support the interests of the American people and the United States of America.

**Trump's budget signals his commitment to fiscal discipline – largest spending cuts since Reagan**

**Lucas 2/27/17** (Fred, the White House correspondent for The Daily Signal, "Trump Pledges Boost in Military and Infrastructure Spending, Cut in Foreign Aid," http://dailysignal.com/2017/02/27/trump-pledges-boost-in-military-and-infrastructure-spending-cut-in-foreign-aid/)

President Donald **Trump’s first budget will boost military spending by $54 billion and pay for it by scaling back nondiscretionary spending—including cuts to foreign aid—the president and his budget director said**. “This defense spending increase will be offset and paid for by finding greater savings and efficiencies across the federal government,” Trump said Monday morning announcing his budget proposal. “**We’re going to do more with less and make the government lean and accountable to the American people**,” Trump said. “We can do so much more with the money we spend.” The budget blueprint lays out administration priorities for each agency to follow. The full budget proposal will be presented in May, according to Mick Mulvaney, the director of the Office of Management and Budget. “It is an America first budget,” **Mulvaney told reporters** during the White House press briefing. “**It will show the president is keeping his budget and doing exactly what he said he was going to do when he ran for office**.” Mulvaney said the budget will also secure the border, take care of veterans, and increase school choice. “**It does all of that without adding to the currently projected [fiscal year] 2018 deficit**,” Mulvaney said. **Top-line defense discretionary spending will be $603 billion, a $54 billion increase for the military. Top-line nondefense discretionary spending will be $462 billion, which is a $54 billion savings**, under the pending proposal. **That’s the largest proposed budget reduction since** the Ronald **Reagan** administration, Mulvaney said.

**Spending Cuts/Balanced Budget Now – Trump**

**Trump’s budget is balanced now – signals commitment to spending cuts**

**Vitali 2/27/17** (Ali, NBC News, "White House to Propose $54 Billion Defense Spending Increase," http://www.nbcnews.com/news/us-news/white-house-propose-54-billion-defense-spending-increase-n726206)

President **Trump will propose adding $54 billion in defense and security funding while cutting that amount from "lower-priority programs" across government agencies**, White House officials said Monday. "**We're going to do more with less**," President Trump said Monday of his "historic increase in defense spending." White House Budget Director Mick Mulvaney emphasized that the "budget blueprint" details are a framework with a full budget expected in May. Mulvaney said, however, that **the budget blueprint is "the president's policies as reflected in top-line discretionary spendin**g." "To that end, it is a true America-first budget. It will show the president is keeping his promises and doing exactly what he said he was going to do when he ran for office," Mulvaney said during a news conference. In a call with reporters Monday morning, an Office of Management and Budget official previewed the budget reductions across agencies, saying that they included a "large reduction in foreign aid." The aid reduction, in tandem with the 10 percent increase in defense spending, echoes Trump's campaign promise. The "budget blueprint marks" the first step in what could be a lengthy negotiations process between the White House and Capitol Hill, with multiple rounds of discussions on the budget's specifics. The spending priorities come just before the president heads to Capitol Hill on Tuesday evening to deliver a joint session speech to Congress. Play 'Budget Blueprint' Shows $54 Billion Increase in Defense Spending, Cuts To Foreign Aid Facebook Twitter Google Plus Embed 'Budget Blueprint' Shows $54 Billion Increase in Defense Spending, Cuts To Foreign Aid 1:23 The president, both in office and on the campaign trail, has preached a "peace through strength" strategy that involves military build up with the goal of deterrence. In a meeting with America's governors Monday morning, Trump stressed the need to start winning wars again, bemoaning the fact that the United States' military prowess is no longer, in his mind, what it used to be. "We either have to win, or don't fight at all," he said. **The OMB official said the reduction in aid spending** — which is roughly **1 percent of the budget** — **is a signal to the rest of the world** that the United States expects the rest of the world to "step up" its fiscal commitment.

**Spending Cuts/Balanced Budget Now – House**

**Balanced budget is coming now – House Budget Committee plans prove**

**DeBonis 7-18-17** (Mike, reporter, "House GOP unveils budget plan that attaches major spending cuts to coming tax overhaul bill" Washington Post) <https://www.washingtonpost.com/politics/house-gop-unveils-budget-plan-that-attaches-major-spending-cuts-to-coming-tax-reform-bill/2017/07/18/6e68b679-c63a-4dd1-a3da-e191636946ad_story.html?utm_term=.9a1b60220ab3>

**The House Budget Committee** blueprint, which is set for a Wednesday committee vote, sets out special procedures that could ultimately allow Republicans to pass legislation over the objections of Senate Democrats who can normally block bills they oppose. GOP leaders in the House, as well as top Trump administration officials, hope to use those procedures — known as reconciliation — to pass a tax overhaul later this year. The **instructions in the draft budget**, however, **go well beyond tax policy and set the stage for a potential $203 billion rollback of financial industry regulations, federal employee benefits, welfare spending and more. Those are policy areas where Republicans have, in many cases, already passed legislation in the House but have seen Democrats block action in the Senate. House Budget Committee Chairman Diane Black** (R-Tenn.), in a statement, **called the spending proposal “a plan for action” and assured reporters Tuesday that the blueprint would emerge from her committee** — though action on the House floor remains in doubt. **“In past years, our proposals had little chance of becoming a reality because we faced a Democratic White House,” she said. “But now with a Republican Congress and a Republican administration, now is the time to put forward a governing document with real solutions to address our biggest challenges.” Like the spending blueprint released this year by President Trump, the House plan envisions major cuts to federal spending over the coming decade, bringing the budget into balance by relying on accelerated economic growth to boost revenue. Under the House plan**, defense spending would steadily increase over 10 years while **nondefense discretionary spending would decline to $424 billion — a drastic cut from the $554 billion the federal government is spending in that category this year.**

**Signal of Fiscal Responsibility Now**

**Trump budget signals US commitment to fiscal responsibility**

**Crisp 3/16/17** (Elizabeth, Staff @ The Advocate, "Trump budget blueprint could have wide-ranging impact on Louisiana," http://www.theadvocate.com/baton\_rouge/news/politics/article\_cb0be314-0a7a-11e7-8811-1b5b81f776da.html)

**Trump's budget plan**, which was outlined in a 53-page summary document, **calls for deep cuts to the Environmental Protection Agency, the State Department and other federal agencies**, while ramping up spending on Defense, Homeland Security and Veterans Affairs. **It also calls for the outright elimination of funding for dozens of smaller agencies and programs**. The Delta Regional Authority, which recently has been aiding with the town of St. Joseph’s lead-contaminated water response, would get no federal funding, likely shuttering its efforts. The Trump administration's recommendation also eliminates funding for the U.S. Housing and Urban Development's Community Development Block Grant program that has been repeatedly used as a vehicle for providing disaster recovery assistance to Louisiana, including $1.6 billion for victims of last year's catastrophic floods. Additionally, it makes several suggestions of shifting more responsibility of funding some services to states, as Louisiana faces its an estimated $500 million deficit in the budget that begins July 1. Gov. John Bel Edwards' spokesman Richard Carbo said the governors' biggest concern is the CDBG cut. He said it doesn't necessarily signal doom for the state as it seeks an additional $2 billion in flood recovery assistance, but it should be addressed. "We just don't know what the cut to the funding will mean to the administering of resources," he said. Aside from the disaster aid, towns and parishes across the state last year received more than $13 million in community development block grant funding that allowed those communities to repair sewer and waterlines. Additional funding came to cities and parishes for community-based programs. During a press briefing Thursday, White House budget director Mick Mulvaney said that the administration questions how effective the CDBG money has been. "To take the federal money and give it to the states and say, look, we want to give you money for programs that don't work -- I can't defend that anymore," he said. "We cannot defend that anymore. We're $20 trillion in debt." He didn't directly address the disaster assistance component of the program. Officials have long relied on the block grants to aid rebuilding because of the program's flexibility. The budget blueprint suggests states and cities to take on the CDBG responsibility without federal funding. It also doesn't directly address the disaster recovery component. The blueprint also would cut spending on the National Flood Insurance Program's Flood Hazard Mapping, which ultimately affects insurance rates. Carbo said proposed cuts to the Army Corps of Engineers could also impact Louisiana priorities, including the long-awaited Comite River diversion project. He added that the governor's office has been in communication with the White House and is still seeking additional information. House Majority Whip Steve Scalise, the third-ranking member in the Chamber, said he will be thoroughly reviewing Trump's request. "**His emphasis on fiscal responsibility is a welcome change after eight years of** President **Obama’s big-spending, government-knows-best ways**," Scalise said in a statement. "Of course, spending is ultimately decided by Congress through the legislative process, and as we begin these discussions with the administration I will be looking closely at how this proposal could impact southeast Louisiana, including key priorities like the National Flood Insurance Program, storm protection and coastal restoration projects." **Scalise**, R-Jefferson, has emerged as **a key ally of the president among House leadership**. "Already, **my Republican colleagues and I have begun working with the president to cut the size and cost of government**, grow our economy, create jobs, and keep Americans safe by securing our border and properly funding our troops—and **the President’s budget request today represents an important step in that process,**" he said.

**Trump budget signals US fiscal responsibility now**

**Cowan 5/23/17** (Richard, Staff @ Reuters, "Trump budget cuts may stir backlash in rural America," https://webcache.googleusercontent.com/search?q=cache:IChdI5WKDrUJ:https://www.reuters.com/article/usa-budget-pain-idUSL1N1IP1FT+&cd=1&hl=en&ct=clnk&gl=us)

Levi **Russell, spokesman for Americans for Prosperity**, the conservative group backed by billionaire Charles Koch, **applauded Trump's call to balance the budget within 10 years, cut taxes and roll back regulations - moves he said would stimulate job growth**. "**It sends all of the right signals for the first time in nearly a decade** - **a budget that actually is focused on the best interests of the American taxpayer** rather than what's popular in Washington," he said. (Reporting by Richard Cowan; Additional reporting by David Shepardson, Howard Schneider and Ginger Gibson; Editing by Caren Bohan and Peter Cooney)

**Signal of Fiscal Responsibility Now**

**Trump budget signals shift in priorities to fiscal discipline now**

**Raasch 5/24/17** (Chuck, Staff @ St Louis Post-Dispatch, "Trump's budget freshly ignites the guns-vs.-butter argument for the St. Louis region," http://www.stltoday.com/news/local/govt-and-politics/trump-s-budget-freshly-ignites-the-guns-vs--butter/article\_a15dde41-6c27-581a-b21a-82850cbeba38.html)

**Trump’s $4.1 trillion fiscal 2018 blueprint of increases in defense spending and cuts in the domestic safety net, research and environmental protection sets up a classic guns vs. butter argument**. The potential impact locally in these and other programs is a microcosm of the spending and taxing fights that are likely to define the Trump years. Missouri’s congressional delegation largely applauded greater spending on defense in the region, such as Trump’s budget proposals for $1.4 billion for 14 new FA/18 Super Hornet fighter jets made by Boeing in St. Louis and $874 million for 34,529 Boeing JDAM GPS-guided bomb tail kits made in St. Charles. But there is already pushback in his own party on Trump’s proposed cuts in other areas. Take the National Institutes of Health, which Trump proposes to trim by about $6 billion, from its current $32 billion spending level. Sen. Roy Blunt, R-Mo., chairs the Senate Appropriations subcommittee that oversees NIH funding. In so many words, Blunt on Tuesday declared Trump’s medical research funding cuts dead on arrival. Blunt has pushed the first increases in the NIH budget in over a decade, and he views increased federal spending in this area as not only a humane attack on disease, but a cost-saver to the health care system over the long run and a significant segment of the St. Louis-area economy. “I have serious concerns with some of the steep cuts that are included in the president’s budget for 2018,” Blunt said. **Rep**. Ann **Wagner**, R-Ballwin, expressed similar concerns about medical research funding cuts. But, she **said, Trump’s budget “signals an important shift in priorities that is long overdue” and “addresses the unsustainable budget deficit and record debt that threatens our economic stability.”**

**Education Cuts Now**

**Spending reductions now – Trump budget plans creates clear signaling**

**Burke, Heritage Education Center director, 17**

(Lindsey, May 23, 2017, Heritage Foundation, "Heritage Experts Analyze Trump's Budget," <http://www.heritage.org/budget-and-spending/commentary/heritage-experts-analyze-trumps-budget>, accessed 7/7/17, DL)

**Education** “The **Trump administration’s full budget for education for FY 2018 would make some long-overdue cuts at the Department of Education, eyeing reductions in spending totaling $9.2 billion – a 13.6 percent cut in the agency’s current $68 billion annual budget**. **That type of reduction signals a serious commitment to reducing federal intervention in education – a necessary condition to make space for a restoration of state and local control**.” —Lindsey Burke, Director of Heritage's Center for Education Policy

**A2 “Deficits Now”**

**Trump's budget avoids an impending fiscal nightmare – spending cuts are key**

**Boccia 5/23/17** (Romina, deputy director of Thomas A. Roe Institute for Economic Policy Studies and the Grover M. Hermann fellow in federal budgetary affairs at The Heritage Foundation, "A Fiscal Storm Is Brewing: US Public Debt to Grow to 150% of GDP By 2047 If No Changes," http://www.cnsnews.com/commentary/romina-boccia/fiscal-storm-brewing-us-public-debt-grow-150-gdp-2047-if-no-changes)

To address the problem, **Congress and the president must work together to enact a responsible, pro-growth budget** that puts spending and taxes on a sustainable path to balance. **Budget cuts in** President Donald **Trump’s proposal** to Congress this week **are a key step on that path**. Our Fiscal Condition **America’s annual deficit**—the difference between what the government spends and collects in taxes each year—**is projected to rise steeply over the coming decade and to continue growing from there**. The deficit is projected to surpass $1 trillion in nominal terms before the 10-year mark, and then to keep rising. In terms of the size of the economy, deficits are projected to rise from 2.9 percent of gross domestic product this year to 9.8 percent 30 years from now. Deficits reached this level at the height of the Great Recession, but current projections assume the deficit will rise to such levels even without another severe economic crisis. Instead, a combination of demographic changes and health care costs, combined with projected growth in interest on the debt, is driving this fiscal explosion. **Absent a course correction**, the Congressional Budget Office’s latest projections show **the debt will rise** from 77 percent of gross domestic product today to a staggering 150 percent of GDP by 2047—almost double the current level. **Such high and growing debt is unsustainable and carries several risks for American prosperity**. Research shows that high and growing debt is associated with lower economic growth, which translates into lower business and individual income growth, and fewer opportunities for all Americans. Ad Feedback Action Is Required Trump has put economic growth at the top of his presidential agenda, and this goal is directly reflected in the president’s proposed budget. According to White House sources, “the policies in [Trump’s] Budget would drive down spending and grow the economy. By 2027, when the budget reaches balance, publicly held debt will be reduced to 60 percent of GDP, the lowest level since 2010, when the economic policies of the last administration took effect.” **Congress and the president should work together to realize a fiscally responsible, pro-growth budget agenda. This includes immediate cuts to unnecessary and improper spending**; reforms to bring health care, welfare, and other entitlement spending under control; and tax reform that reduces harmful distortions to saving, investing, and producing in the United States. **It’s not too late for the U.S. to avert a full fiscal nightmare**, and **Trump’s presidency and a Republican-controlled Congress present a unique opportunity** for long-needed reforms.

## Link

**Links – Education Spending**

**Massive new spending on education undermines fiscal restraint**

**Burke and Sheffield 12** (Lindsey and Rachel, Education Policy Analysts @ Heritage Foundation, "Obama’s 2013 Education Budget and Blueprint: A Costly Expansion of Federal Control," 4/12, http://www.heritage.org/budget-and-spending/report/obamas-2013-education-budget-and-blueprint-costly-expansion-federal)

Abstract: President **Obama’s** FY 2013 **budget request includes another major spending increase for the Department of Education**—2.5 percent more than last year—to nearly $70 billion. **American taxpayers are calling for spending restraint in Washington, yet** President **Obama’s proposals would exacerbate the existing bureaucratic maze of federal programs** and further remove educational decision-making authority from state and local policymakers. **Decades of increased federal spending have done little to benefit American students**. Continuing to pour more taxpayer dollars into failed programs is unlikely to improve educational outcomes. Rather, it will lead to more federal involvement in state and local education systems. Reforms that roll back spending and reduce the federal role will help restore educational authority to state and local leaders where it rightly belongs. “**Budgets are about choices**.” Such was President Barack Obama’s message during a recent speech to the National Governors Association. President Obama’s fiscal year (FY) 2013 budget request and supplemental education spending proposals make the Administration’s own choice perfectly clear: Continue to increase federal education spending and federal control over education. The Department of Education, a 4,200-person agency, has enjoyed dramatic funding increases year after year since its creation over three decades ago. The President’s FY 2013 budget request includes a 2.5 percent increase (over 2012 levels) for the Department of Education—the largest increase for any domestic agency in the proposed budget. But nearly a half century of ever-increasing federal education spending and control has failed to improve academic outcomes. The bloated bureaucracy has added layer upon layer of red tape on states and school districts, requiring school leaders to demonstrate compliance with more than 150 federal education programs. In addition to the proposed spending increases in President Obama’s 2013 budget request for the Department of Education**, the Administration is also proposing to spend another $60 billion on new programs**—spending that would be supplemental to the FY 2012 enacted budget and FY 2013 budget request. These staggering new spending increases are in addition to the one-time $98 billion provided to the Department of Education in 2009 as part of the American Recovery and Reinvestment Act—the “stimulus”—and on top of the $10 billion “EduJobs” bill passed in the summer of 2010. **At a time when American taxpayers are calling for fiscal restraint in Washington, including restraint at the Department of Education**, **the budget and blueprint create a path to continued federal profligacy**. These are proposals that exacerbate the existing bureaucratic maze of federal programs and further remove educational decision-making authority from state and local policymakers.

**Links – Administrative Costs**

**Federal education policy produces massive administrative costs – empirically proven**

**Lips, Heritage Foundation Senior Policy Analyst, and Feinberg, Koch Institution Program Manager, 7**

(Dan and Evan, March 23, 2007, Heritage Foundation, “The Administrative Burden of No Child Left Behind”, http://www.heritage.org/education/report/the-administrative-burden-no-child-left-behind, accessed 7/6/17, DL)

The 110th Congress may soon consider the reauthorization of the No Child Left Behind Act of 2001. This will be the ninth reauthorization of the original Elementary and Secondary Education Act of 1965. **Congress should address**, among other problems with the law, the **massive administrative and bureaucratic costs the federal government imposes on state and local authorities. Federal Spending and Bureaucracy Since 1965, American taxpayers have invested more than $778 billion on federal programs for elementary and secondary** education.[1**] This spending has been coupled with the growth of an extensive federal education bureaucracy that consumes federal funds and imposes administrative costs on state and local authorities**. **The General Accounting Office reported** in 1994 that 13,400 federally funded full-time employees in state education agencies worked to implement federal education programs-three times the number then working at the Department of Education.[2] The same report found **that state education agencies were forced to reserve a far greater share of federal than state funds for state-level use-by a ratio of 4 to 1-due to the administrative and regulatory burden of federal programs.[3] Because it cost so much more to allocate a federal dollar than a state dollar, 41 percent of the financial support and staffing of state education agencies was a product of federal dollars and regulations.[4] In other words, the federal government was the cause of 41 percent of the administrative burden at the state level despite providing just 7 percent of overall education funding.[5]**

**Links – Administrative Costs**

**Costly bureaucratic management is normal means – empirics prove – states are key to solve**

**Franc, Heritage Foundation Distinguished Fellow, 7**

(Michael, January 24, 2007, Heritage Foundation, “The State of Federal Education Policy”, http://www.heritage.org/education/report/the-state-federal-education-policy, accessed 7/6/17, DL)

**Policymakers should remember that past administrations and Congresses have sought to use the lever of federal power in education to improve student achievement and reduce the achievement gap since 1965. But after four decades and hundreds of billions of dollars in federal spending, the federal government has proven unable to bring about big improvements in America's schools. For example, since the early 1970s, little has changed in long-term measures of student performance.** As Congress prepares to consider the ninth reauthorization of the original Elementary and Secondary Education Act, **it's time to draw some conclusions from these long-term trends and reconsider the federal government's role in education.** **For starters, families, taxpayers, and school officials should question whether the federal government has been a good partner in education** all these years. In 2006**, taxpayers paid more than $24 billion to the Internal Revenue Service to fund programs for No Child Left Behind. In exchange, the Department of Education uses that funding** to play the role of a **heavy-handed** middleman. **After keeping a sizeable chunk of money to pay for administration, the Department sends that money back to states and local education agencies along with a blizzard of mandates, red tape, and bureaucratic reporting requirements**. For example, **the Office of Management and Budget found that No Child Left Behind alone increased the paperwork costs due to federal education programs by 6,688,814 hours, or $140 million. Beyond this wasteful bureaucratic burden, the federal government's role in education exacts huge opportunity costs. Were it not for the Department of the Education, states and local communities would have more than $24 billion per year in additional funding** that could be **used for other purposes**, such as locally controlled programs that direct resources to classrooms. **Perhaps the costs of the federal government**'s "middle man" **relationship would be the justified if Congress and the** 4,500 workers at the U.S. **Department of Education proved that they have a formula for improving student performance** in America's 96,000 public schools. Unfortunately, **a forty-year track-record shows this isn't the case**. **Rather than travel further down the current road of federal education policy**, the Bush Administration and Members of Congress have a responsibility to reassess whether the federal government's current role in education is justified. **A promising alternative strategy would be to begin restoring state and local control in education, while maintaining true transparency in measuring student performance at the school level.** Senators Jim DeMint (R-SC) and John Cornyn (R-TX) recently announced their support for such a proposal.

**Links – Administrative Costs**

**Federal policy imposes heavy spending burdens and is structurally inefficient – federal intervention trades off with local solutions**

**McCluskey, Cato Educational Freedom Center director, 16**

(Neal, April 21, 2016, Downsizing the Federal Government, “Cutting Federal Aid for K-12 Education,” https://www.downsizinggovernment.org/education/k-12-education-subsidies, accessed 7/12/17, DL)

**Misallocation and Bureaucracy A basic effect of all federal programs is to redistribute income from taxpayers to the beneficiaries of programs and the bureaucracy that supports them**. The tens of billions of dollars a year spent on federal K-12 programs could have otherwise been retained by families and used **for** education or other **private purposes**. **The higher their taxes, the less income families have to spend on private schools, tutors, saving for college, or other educational expenses**. In addition, **without federal involvement, state and local governments-which are much closer to the people the schools are supposed to serve-could decide what they felt was the best use of public education dollars**, whether reducing class sizes, paying teachers more, or giving parents more control by implementing choice programs. **Federal intervention has long been supported on “equity” grounds, or redistributing funds toward less-advantaged schools. But studies have found that the federal government is not very successful at such redistribution**, even if it were a good idea. **When you compare per pupil federal K-12 financing per state with state poverty rates, it reveals only a weak correlation, and comparing funding to states’ median household income has an even smaller correlation**.49 **Perhaps more importantly, federal funds are often offset at the state and local levels by reduced state and local funding**. **A statistical analysis by Nora Gordon of the University of California, San Diego, found that while Title I is supposed to steer money to poor school districts, the actual effect is quite different.50 She found that within a few years of a grant being given, state and local governments used the federal funds to displace their own funding of poor schools**. Thus, **poor schools may be no further ahead despite the federal grant money directed at them.** Other studies have concluded that Title I has not reduced the education funding gap between higher- and lower-income states.51 And, ironically, **federal “supplement-not-supplant” regulations may backfire**. These **rules are supposed to ensure than federal money is only used for additional activities on which states would not have otherwise spent. However, the rules may make it harder for districts, among other things, to try innovative pilot programs, lest they run into trouble if they scale up successful innovations to all students, who must be funded using state and local dollars**, not just the Title I funds that may have paid for the pilot program.52 **Aside from redistribution, the theory behind educational aid to the states is that federal policymakers can design programs in the national interest to efficiently solve local problems.53 But involving the federal government focuses the educational policy discussion on spending levels and regulations, not on delivering quality services.** **By involving all levels of government in a policy area, the aid system creates a lack of accountability-when every government is responsible for education, no government is responsible.** **The Department of Education has no teachers and runs no schools. Its purpose is to oversee more than 100 programs, covering pre-K though adult education, which are described in a massive department guidebook that is 328 pages long**.54 <<card continues>>

**Links – Administrative Costs**

<<card continues>> **All these programs create intense bureaucracy at the federal, state, and local levels. If the activities funded by federal grants are useful, then state and local governments should fund them themselves, and that way the nation’s taxpayers would be saved the costs of hiring well-paid administrators at the federal level. There are also large educational bureaucracies in state and local governments that comply with all the federal paperwork and regulations**. For example, in 2008 **the Department of Education estimated that 7.8 million hours of work would be needed for state and local education agencies to comply just with regulations** governing Title I grants. That figure had increased from 2.9 million hours in 2003, mainly as a result of the No Child Left Behind legislation.55 **In many states, a majority of state-level education department workers are those administering federally funded programs.56 Federal education programs have also generated large lobbying and litigation activities, which are a drag on the U.S. economy**. Consider, for example, that **the National Education Association-the nation’s largest teachers union-has a staff of about 500 and in 2015 received more than $360 million** in dues and agency fees, the latter being forced payments from non-members who fall under collective bargaining agreements.57 **The NEA influences federal policy through publications, conferences, meetings with legislators, and contributions to candidates**. The NEA and American Federation of Teachers are some of the largest lobbyists and political spenders in Washington.58 **Other than these unions, there are other education groups that lobby in Washington, D.C., including the American Association of School Administrators, the Council of Chief State School Officers, the National Association of Secondary School Principals, the National Association of School Nurses, and the list goes on.** **Many lobby groups focus on particular education programs in the federal budget**, such as the National Head Start Association.59 This organization, which has an annual budget of more than $5 million, pushes for increased Head Start spending every way it can, such as publishing a 16-page “Voter Participation and Lobbying Guide for Head Start Staff, Parents, and Friends.”60 The association even has its own Legal Advisory Service to provide legal training and legal guidance for the recipients of Head Start subsidies.61 Similarly, the Afterschool Alliance-in part created by the U.S. Department of Education-defends the 21st Century Community Learning Centers program and advocates for other afterschool programs and funds.62 Conclusions **Over the decades, policymakers have argued that various state, local, and private activities require federal intervention because they are “national needs.”** Consider **the Department of Education**’s statement on “The Federal Role in Education.” It says that while “education is primarily a State and local responsibility,” the federal government, in an “emergency response system” role, fills “gaps in State and local support for education when critical national needs arise” and promotes “student achievement and preparation for global competitiveness.”63 Not only that, but “the Secretary and the Department play a leadership role in the ongoing national dialogue over how to improve the results of our education system for all students,” and the department **runs “programs that cover every area of education**.”64 These statements contradict themselves. They simultaneously claim that the federal government only gets involved when, essentially, crises arise, but also say that Washington leads all efforts to improve the system and is involved in every aspect of education. **One may call education a “national” priority, but that does not mean that the federal government has to get involved**. That is because **education is also a high priority of local governments and families**: “national” need not mean “federal” or “centralized.” **States, school districts, and schools are free to fund their own programs and learn educational techniques from each other**. **There is no need for top-down direction from Washington.**

**Links – Administrative Costs**

**Federal education policy guarantees paper pushing inefficiency wasting billions – states comparatively solve**

**McCluskey, Cato Educational Freedom Center director, 16**

(Neal, April 21, 2016, Downsizing the Federal Government, “Cutting Federal Aid for K-12 Education,” https://www.downsizinggovernment.org/education/k-12-education-subsidies, accessed 7/12/17, DL)

Over the years, **the states have been happy to receive federal funds, but they have chafed under the mandates imposed by Washington**. **NCLB provoked a backlash because of its costly rules for academic standards, student testing, unrealistic proficiency demands, and other items**. The **Race to the Top** program (RTTT), **passed in 2009, provided grant money to states that agreed to additional federal micromanagement** of their schools, **including adopting national curriculum standards**.5 The Obama administration imposed further requirements on states that desired waivers from parts of NCLB, such as waivers for NCLB’s utterly unrealistic requirement that all students be “proficient” in math and reading by 2014. **The accumulation of federal rules has suppressed innovation, diversity, and competition in state education systems, while generating vast paper-pushing bureaucracies. Despite the large increases in federal aid since the 1960s, public school academic performance has ultimately not improved**. While scores on the National Assessment of Educational Progress have improved for some groups and younger ages, math and reading scores for 17-year-olds—essentially, the school system’s “final products”—have been stagnant. In addition, **America’s performance on international exams has remained mediocre, yet we spend more per-pupil on K-12 education than almost any other country**.6 **Federal funding and top-down rules are not the way to create a high-quality K-12 education system in America. Congress should phase out federal funding for K-12 education and end all related regulations**. **Policymakers need to recognize that federal aid is ultimately funded by the taxpayers who live in the 50 states**, and thus provides no free lunch. Indeed, the **states just get money back with strings attached, while losing billions of dollars from wasteful bureaucracy**. **There is no compelling policy reason, nor constitutional authority, for the federal government to be involved in K-12 education. In the long run, America’s schools would be better off without it.**

**Links – CTE**

**Career & Technical Education is super expensive – it costs four times as much as regular schooling and is all handled by the states right now**

**Young, State News Services Writer, 16**

[Colin A, 11-27-2016, Boston Business Journals, “Vocational education: high cost, high demand” <https://www.bizjournals.com/boston/news/2016/11/27/report-high-demand-high-cost-for-vocational.html>, Accessed: 7-12-2016, BP]

**CVTE programs cost more than traditional high school programs because they tend to have smaller class sizes**, more intensive supports, **and equipment needs that far surpass traditional schools. The state's Chapter 70 education funding formula allocated $13,200 per vocational pupil for the last school year, compared to a $8,700 per-pupil rate for traditional high schools.** MassBudget said actual per-pupil spending for regional vocational schools in the 2014-2015 school year averaged **$19,800, or $5,000 greater than the $14,800 average actual per-pupil spending statewide.** "With this in mind, we **estimate that it would take $27 million annually at the very least to address the unmet demand for vocational programs**," MassBudget senior policy analyst Colin Jones wrote in the report. "**This baseline total of $27 million reflects the minimum districts would have to spend,** the $5,000 per pupil incremental cost of vocational education (5,400 students at $5,000 each). **This cost would be shared by the state and local communities**, as students moving to vocational education would often generate additional Chapter 70 aid."

**Vocational programming expensive**

**Schoenberg, Mass Live electoral politics reporter, 16**

[Shira, 9-30-2016, Mass Live, "Report: Meeting state need for vocational education would cost $27M," masslive, <http://www.masslive.com/politics/index.ssf/2016/11/report_meeting_state_need_for.html>. accessed 7-6-17, DTG]

Massachusetts has around **5,400 students** who are unable to get into vocational schools because of waiting lists or because of a lack of schools in their community, according to a report released Friday by the Massachusetts Budget and Policy Center. Addressing that gap, the report found, **would cost $27 million**. "**Successful implementation of this type of** (career, **vocational** and technical education) **expansion would require careful budget and building plans at the local level, along with the active participation of state partners,**" the report said. Noah Berger, president of the liberal-leaning think tank, said he thinks decisions about expansion should be up to local school districts. But he sees the waiting lists as an indication that there are more opportunities for districts to expand vocational programs to more students. "There's evidence that high-quality vocational schools very effectively serve the needs of a set of students ... both in terms of helping prepare kids for careers, but also getting them excited about school and engaged in learning, particularly for kids for whom hands-on learning is an effective way to master subjects," Berger said. Berger said there are lessons other schools can take from vocational schools -- such as the effectiveness of small classes and partnerships with employers. **In Massachusetts, career, vocational and technical schools can be independent regional school districts, individual schools in a larger district, or programs within traditional high schools. In 2016, 48,000 students -- 17 percent of statewide high school enrollment -- were in vocational schools, up from 42,000 students a decade ago.** Vocational programs include subjects like information technology, construction trades, health services and hospitality. **They are publicly funded. The state in 2015 paid $4,500 more per vocational school student than traditional public school student, since vocational programs cost more.**

**Links – Desegregation**

**The plan reverses perception of fiscal discipline – Trump’s plan to defund OCR was a key campaign promise**

**Holt 16** (Alexander, policy analyst with the Education Policy program at New America, 11-16-16, "How Trump Will Try to End Political Correctness" New America) https://www.newamerica.org/education-policy/edcentral/how-trump-will-try-end-political-correctness/

Those **commissioners argued that Congress should scale back funding of the Office of Civil Rights in the Department of Education, and many other conservatives agree**. Expect it to happen under President Trump. **By defunding OCR, Trump would** not only **be** fulfilling his promise on political correctness, but also **cutting a part of the Department of Education—another of his campaign promises.**

**Civil rights litigation is extremely expensive and doesn’t get results**

**Korman 16** (Hailly, principal at Bellwether Education Partners on the Policy and Thought Leadership team, 5-31-16, Ahead of the Heard is a group blog of Bellwether Education Partners, a national, nonpartisan nonprofit of more than 50 professionals dedicated to helping education organizations become more effective in their work and achieve dramatic results, especially for the most underserved students. "We Can't Sue Our Way to Equitable Schools" Ahead of the Heard) https://aheadoftheheard.org/we-cant-sue-our-way-to-equitable-schools/

**Civil rights litigation is regarded with a reverence that is**, perhaps, **disproportionate to its reality. It is expensive, time consuming, fractious for communities, and emotionally exhausting**. In 1976, leading critical race studies professor Derrick Bell published “Serving Two Masters: Integration Ideals and Client Interests in School Desegregation Litigation,” challenging the mainstream celebration of school desegregation litigation and describing the problem as one of a conflict of interest between lawyers invested in challenging segregation laws and their Black clients who wanted only high-quality schools for their children. **Linda Brown, the student about whom the famous case was filed, has talked extensively about feeling exploited by a process that ultimately couldn’t provide integrated schools for her own children**.

**Links – Title 1**

**The plan would cost $45 billion dollars per year – their author**

**Black, 17** - Professor of Law, University of South Carolina School of Law (Derek, “Abandoning the Federal Role in Education: The Every Student Succeeds Act”, 102 CALIFORNIA LAW REVIEW [Vol. 105:101, SSRN)

Third, **helping low-capacity** states necessarily requires federal assistance **and motivating high-capacity states** necessarily **requires** federal leverage. The federal government cannot get either for nothing. Both involve **substantial additional money**— enough to make the deal enticing for states. While Congress plausibly could demand more equity and adequacy from states pursuant to its congressional powers under the Fourteenth Amendment, 342 such authority has not been substantiated by courts or even remotely recognized by politicians. This leaves Congress’s power under the Elementary and Secondary Education Act. As spending legislation, Congress can only secure states’ consent to conditions in exchange for money.343 Congress and President Bush clearly understood this relationship in passing the NCLB, as the NCLB drastically expanded the federal role in education but only in exchange for a major increase in federal funding.344 If Congress is to further equity and adequacy through the Elementary and Secondary Education Act in the future, it must do the same again. The federal government has the capacity to make this investment with relatively little effort. The current outlays for the Elementary and Secondary Education Act hover around $25 billion a year345—a miniscule number compared to the $938 billion in annual spending on health care.346 Federal spending on education altogether, which includes far more than just the Elementary and Secondary Education Act, is about 3 percent of the federal budget and is roughly equivalent to transportation or scientific research spending.347 In recent years, Congress has demonstrated the willingness to inject new funds into education to address short-term agendas. During the recession, Congress appropriated $4.3 billion to fund education innovation grants to states.348 Congress made an even bigger appropriation of $53.6 billion to cover the states’ budget shortfalls during the recession and to prevent massive teacher layoffs.349 Toward that end, Congress appropriated $53.6 billion with almost no strings attached.350 **An annual federal investment of $45 billion, rather than the current $15 billion, would be enough** to ensure that low-income students, particularly those attending schools with concentrated poverty, receive the additional funds they need.351 **These federal funds alone**, if properly targeted, **would amount to a 20 percent supplement for low-income students and would put states halfway to the goal of a 40 percent supplement.352 This investment would afford the federal government the leverage to demand that states appropriately weight their funding formulas to meet the needs of disadvantaged students**.353 At that point, existing and new Title I funds and state remediation could combine to provide a 40 percent supplement for low-income students. Equally important, these federal funds would create the leverage and capacity the federal government needs for states to comply with the equity provisions outlined in the following sections. **Footnote 351** 351 **In theory, Congress probably could cover half of the cost of a 40 percent bump to all low-income students with $25 billion**, **but as the percentage of low-income students in a school increases, so will the necessary per-pupil expenditures**. See generally Derek W. Black, The Congressional Failure to Enforce Equal Protection Through the Elementary and Secondary Education Act, 90 B.U. L. REV. 313, 344-46 (2010). **This Article proposes a $45 billion investment,** which would account for the effects of concentrated poverty. The data for that estimate comes from U.S. Census, Annual Survey of School System Finances: Per Pupil Amounts for Current Spending of Public Elementary-Secondary School Systems by State: Fiscal Year 2014, available at https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk. The methodology and calculations were devised and performed by Professor Bruce D. Baker, Rutgers University Graduate School of Education. The data are on file with the author.

## Internal Link

**Deficits Kill the Dollar**

**Mounting debt will destroy investor confidence, leading to a dollar crisis**

**Bull, Bloomberg Editor and former Reuters reporter, 10**

[Alister Bull, Jan 13, 2010, Reuters, “Experts say curb US debt or suffer a dollar crisis”, <http://www.reuters.com/article/usa-budget-options-idUSN1311550220100113>, Accessed 7-9-17, RK]

**The United States must** soon **raise taxes or cut government spending to curb its debt**, **and failure to act will risk a** crippling **dollar crisis as investor confidence ebbs,** a panel of experts said on Wednesday. "It has got to be done. It will be done some day. **It may be done with enormous pain. Or it may be done more rationally,"** said Rudolph Penner, a former head of the nonpartisan Congressional Budget office who co-chaired the 24-strong Committee on the Fiscal Future of the United States. President Barack Obama's administration will present his budget for fiscal 2011 early next month amid intense pressure to live up to election campaign promises not to raise taxes on middle class Americans, while confronting a record deficit. As a result, Obama is expected to focus on long-term fiscal discipline, while maintaining policy support for an economic recovery in the near-term as the country rebuilds after its worst recession since the Great Depression. The two-year study by the panel, assembled by the highly respected National Research Council and the National Academy of Public Administration, said that the White House had some time on its side to restore growth, but must then act. "In the next year or two, **large deficits and more borrowing are unavoidable** **given the severity of the economic downturn.** However, **action ought to begin soon thereafter,**" they said. **The national debt has risen above 50 percent of GDP (gross domestic product) from 40 percent two years ago, and within 20 years will blow past a previous record above 100 percent of GDP set after World War Two without stern official steps. Mounting debt could sap investor confidence in the economy**, **and the nation's ability to honor its obligations, pushing up interest rates and causing a steep fall in the value of the dollar as international creditors seek safer returns elsewhere.**

**Perception of rising deficits destroys the dollar – signals of fiscal discipline are uniquely important**

**Bergsten 4** (C. Fred, director of the Institute for International Economics, "The Risks Ahead for the World Economy," Economist, 9/9, <http://www.economist.com/opinion/displayStory.cfm?story_id=3172404>)

Robert **Rubin, former secretary of the Treasury**, also **stresses the psychological importance for financial markets of expectations concerning the American budget position**. **If that deficit is viewed as likely to rise substantially, without any correction in sight**, **confidence in America's financial instruments and currency could crack**. **The dollar could fall sharply** as it did in 1971-73, 1978-79, 1985-87 and 1994-95. **Market interest rates would rise substantially and the Federal Reserve would probably have to push them still higher to limit the acceleration of inflation.** These risks could be intensified by the change in leadership that will presumably take place at the Federal Reserve Board in less than two years, inevitably creating new uncertainties after 25 years of superb stewardship by Mr Volcker and Alan Greenspan. A very hard landing is not inevitable but neither is it unlikely.

**Deficits Kill the Dollar**

**Big budget deficits crowd out investment and risk financial volatility – threatens a dollar crisis**

**Economist** 11/8/**03** “A Flood of Red Ink” <http://www.economist.com/node/2189237>

**The economic consequences are indisputably negative. Big budget deficits reduce America's** already abysmally low **saving rate.** As the economy's slack is worked off, **Uncle Sam's demand for dollars is likely to crowd out private investment and reduce long-term economic growth**. **Even if the global capital market helps out, America is already enormously reliant on foreigners** to fund its spending: the current-account deficit, the measure of annual borrowing from foreigners, is at an historic high of 5.1% of GDP. **Big budget deficits will aggravate these external imbalances and so raise the risk of financial volatility, even a dollar crisis**. Over the next few years, that is perhaps the biggest risk that Mr Bush's fiscal policies pose for the world economy.

**A2 “Plan Doesn’t Cost Much”**

**Every dollar increase in federal spending makes the imposition of fiscal responsibility more difficult**

**Houston Chronicle 5/9/06** “Do the numbers: The propensity for and indifference toward deficit spending in Washington have never been higher” http://www.chron.com/opinion/editorials/article/Do-the-numbers-The-propensity-for-and-1869376.php

History shows that while tax hikes in the 1990s were followed by spending restraints, tax cuts over the last two decades led to spending sprees. **At no time in the modern era has the convergence of spending hikes and revenue cuts been so pronounced. The tragedy is that for every dollar borrowed, the imposition of fiscal responsibility becomes more difficult for future presidents and Congresses.**

**A2 “New Spending Good for Econ”**

**New spending hurts the economy – the greatest risk is fiscal overheating**

**Reuters 5/12/17** ("Fed's Evans sees upside risks from Trump fiscal policy," http://www.reuters.com/article/us-usa-fed-evans-idUSKBN18820Y?il=0)

**The chief of the Federal Reserve Bank of Chicago said** Friday **that risks to the U.S. economic outlook from fiscal policy are positive as long as it is not overly stimulative**, and said he believes that global risks to U.S. growth have receded. "**The U.S. economy has sound fundamentals right now so**, I mean, it's difficult to come up with very many downside risks there," Evans told Bloomberg TV in an interview after a talk in Dublin. "**If anything the fiscal policy would be upside risks, in terms of growth and pushing unemployment even further down, which** could have its benefits as I said before, but **you can overdo** that."

**A2 “Deficits Don’t Hurt the Dollar”**

**Deficit spending undermines the dollar – investors are concerned about our ability to pay off debt**

**Gilroy 14** (Annie, Financial Analyst @ Yahoo Finance, 10/7, "Does the budget surplus or deficit impact the US dollar?," http://webcache.googleusercontent.com/search?q=cache:R3OHNVZiQCoJ:finance.yahoo.com/news/does-budget-surplus-deficit-impact-210007804.html+&cd=8&hl=en&ct=clnk&gl=us)

The budget balance is the difference between what a country’s government earns from taxes and other sources and what it spends. **A budget deficit occurs when spending exceeds earnings. When spending exceeds earnings, the government borrows money from its citizens. It also borrows money from foreign entities. As this debt keeps on accumulating**, it’s possible that **the value of its currency will decrease**. **The currency decreases because of fears within the international community. Other countries question its ability to repay the debt**.

**A2 “Dollar Collapsing Now”**

**The dollar has dipped but it’s not in dangerous territory yet**

**BBC 8-11-17** ("Why is the US dollar falling?" BBC) www.bbc.com/news/business-40853840

**The US dollar**, long a symbol of American economic might, has fallen steadily this year. The value of the dollar index, which tracks the dollar against six major global currencies, **has fallen about 10% since January**. It pushed lower on Friday, even as demand for other safe-haven assets - typically a category that includes the US dollar - rose amid sabre-rattling between the US and North Korea. **The dollar, which surged in 2014 as the US economy gained strength, is hardly in danger territory. The index is running just a bit lower than it was a year ago.**

**Dollar strength is comparatively high now**

**Chisholm, Global Markets Journalist, 17**

(Jamie, May 22, 2017, Financial Times , "Global stocks recover poise, dollar strengthens on receding Trump scares," https://www.ft.com/content/7c85cd9c-e2d5-3f63-b3f4-66081f7856c2, accessed 7/10/17, DL)

**Major currencies are mostly weaker against the US dollar. The dollar index, a measure of the US currency against a basket of global peers, is up 0.1 per cent to 97.28. It fell** to a five-and-a-half-month low of 97.08 on Friday **as James Bullard of the St Louis Federal Reserve said the central bank’s projected path** for lifting interest rates **might be “overly aggressive”. The Japanese yen is down 0.1 per cent to ¥111.35 per dollar after trade data showed exports and imports grew in April but at a slower pace than economists had forecast. The euro is off 0.1 per cent to $1.1188 and the UK pound is down 0.3 per cent to $1.3002** after polls over the weekend showed the governing Conservative party holding a narrower lead against Labour ahead of the election in June.

## Impact

**Dollar Collapse Impact – Overview**

**Timeframe – signals of fiscal responsibility from Trump are vital – the plan immediately reverses perception, which risks a dollar crisis that sparks war and destroys global cooperation**

**Probability – dollar collapse is the most probable threat facing the US**

**Brenner and Goldman 9** (Reuven and David, Reuven Brenner holds the Repap Chair at McGill University’s Desautels Faculty of Management and is author of The Force of Finance and A World of Chance. David P. Goldman is senior editor of First Things, "The Needle's Eye," <https://www.firstthings.com/article/2009/12/the-needles-eye>)

**The greatest crisis the** present **administration faces is the collapse of the dollar and its role as the world’s main reserve currency**. Paradoxically, **preventing the dollar’s collapse also represents a once-in-a-century opportunity for American leadership.** Our present fiscal and monetary policies degrade the dollar’s value and force part of the burden of financing a misguided fiscal stimulus onto America’s trading partners. They have no alternative for the moment but to shoulder this burden, however reluctantly. But they will not do so ­forever.

**Turns case – Global cooperation key to resolving every existential threat**

**Granoff 14** (Jonathan, President of the Global Security Institute and a 2014 nominee of the Nobel Peace Prize. He is also Adjunct Professor of Law at the Widener University Law School and Co-Chair of the International Law Section of the American Bar Association’s Taskforce on Nuclear Nonproliferation, "An Open Letter to the President: A Legacy the World Needs," http://gsinstitute.org/blogs/op-eds/an-open-letter-to-the-president-a-legacy-the-world-needs)

**The most critical–and** in some instances, **existential–threats** to civilization **can only be met through global cooperation at levels far greater than today**. **Ensuring the health of the oceans and rainforests, successfully addressing climate change, stopping the destruction of species** at rates far above normal evolution, **preventing the spread of pandemic diseases, ensuring the stability of financial markets, strengthening cybersecurity, and ending threats posed by w**eapons of **m**ass **d**estruction **are examples of global challenges that cannot be met on a national level**. They are global threats that require global solutions. Current approaches are inadequate. What is needed is clarity of purpose and visionary leadership to define a twenty-first century approach toward achievable, holistic, and sustainable security. You alone have the vision and the communicative prowess to inspire and enable world leaders to define and address the most urgent challenges to our shared security, and to commit to pursuing effective, cooperative means to deal with them. You could call it “The Project for the Common Good.” It should begin with a two-day summit, convened once every two years, to constitute a process that identifies the common good, asserts the primacy of our commonalities over our differences, and shapes a new dynamic of cooperation to protect them. The culmination of the summit will be a communiqué to the world, identifying the common good of working together, cooperatively, to meet universal challenges. Furthermore, leaders will be challenged and hopefully commit to cooperating even though on many other issues substantial differences remain. This communiqué will help galvanize public and political support to work together despite our numerous legitimate and normal differences of perspective and interest. Moreover, this endeavor to achieve the common good will serve to invigorate many of the existing institutional arrangements — national, multilateral and universal, such as the United Nations system — that are already doing their best. Bringing the concept of the common good into the public debate itself will be of enormous benefit. The ongoing, cyclical nature of this process provides for its empirical verification, which in turn serves to validate, and, therefore, strengthen the process and its goals. Leadership in this trailblazing initiative is appropriate for the United States of America, the first nation on Earth founded on the rule of law and universal values, and which is populated by peoples whose origin are everywhere; for we are a universal nation. Your administration has proven the value of such a summit through the series of Nuclear Security Summits. It is time to identify and commence maturely and responsibly achieving Our Common Good, a secure sustainable future. The institution of such a process could repurpose and define a twenty-first century legacy for the United States, just as the Marshall Plan helped ensure an American twentieth century. **Identifying a clear compass point toward the common good will have a galvanizing impact** unlike any other, short of total, global war. It may be that **such a process actually prevents any current or future crisis** du jour **from escalating into such a total war**. It will certainly make clear that our differences must not overshadow requirements for cooperation. Despite today’s headlines, commencing this process soon is important. Who, after all, can possibly predict the next series of disastrous coincidences such as those that brought us the First World War or Fukushima? In an age of increasing automation, underscored by the horrifically huge arsenals of weapons of mass destruction, the consequences of such rapid escalation are too acute, and we cannot entrust our current institutions and international relationships with preventing them. We must do better. Make no mistake: **cooperation in the twenty-first century is** no longer a choice. It is **an imperative**. The nation that takes the reigns in this new endeavor will be at the forefront of the new era. **Those that cling onto archaic paradigms based on zero-sum theories** of security **will lag, to the detriment–and very survival–of all.** More than simply enhancing efforts to address current crises–be it Ebola in West Africa, Islamist extremists in Iraq and Syria, or nuclear proliferation in the Middle East or South Asia–The Project for the Common Good could mitigate or even eliminate some of tomorrow’s unforeseen crises. After all, nobody can predict the next perfect storm. But, we can be certain that a world where cooperation to achieve common goals will be far better prepared to respond.

**Dollar Collapse Impact – China War (1/2)**

**A. Dollar collapse emboldens Chinese aggression, which escalates**

**Zoffer 12** (Josh, Engagement Manager at McKinsey & Company + former research analyst @ Greenmantle LLC + BA @ Harvard, "Future of Dollar Hegemony," 7/7, <http://hir.harvard.edu/crafting-the-cityfuture-of-dollar-hegemony/>)

Despite the dollar’s long history as the international reserve currency, the past few years have seen a growing number of calls for the end of dollar hegemony. Countries as diverse as France, Russia, and China have decried the dollar’s monopoly in foreign exchange markets, while in 2009 reports of a shift away from dollar-based oil trading surfaced in the Middle East. Reported plans to move away from the dollar reflected international frustration at a system fueling the United States’ “exorbitant privilege,” as the French have called it, one that rests its stability on the financial conditions of a country mired in debt and facing a financial meltdown. **The implications of** a true end to dollar hegemony, **a shift away from the dollar as a reserve currency and pricing standard for oil transactions, could be catastrophic for the United States**. In the worst case scenario, **a drastic drop in demand for dollar-denominated assets would cause the interest rates on Treasury Securities to skyrocket, sending ripples through the US economy** as the value of the dollar plummets. What is certain, however, is that **whatever decrease in demand for US debt occurs will constrain** the federal government’s ability to spend and **the ability of the United States to defend itself.** The United States has built its foreign policy around its vast military capability; a sudden budgetary shock and drop in military spending would leave the United States vulnerable as it scrambles to regroup in a new security environment. **The ability of the United States to respond to threats across the globe would be diminished, and enemies would be incentivized to take aggressive action to take advantage of this new weakness**. In particular, **a rapidly militarizing China might be emboldened by its partial decoupling from US economic fortunes to adopt a bolder stance in the South China Sea**, threatening US allies and heightening tensions with the United States. While war with China is all but off the table in the status quo, **an international system devoid of both US military might and Chinese dependence on US debt as a place to park excess liquidity might lead to the conflict feared on both sides of the Pacific.**

**Dollar Collapse Impact – China War (2/2)**

**B. US-China war is an existential threat**

**Wittner 11** (Lawrence S., Emeritus Professor of History @ State University of New York - Albany, 11/28/2011, "Is a Nuclear War With China Possible?", http://www.huffingtonpost.com/lawrence-wittner/nuclear-war-china\_b\_1116556.html)

**While nuclear weapons exist, there remains a danger that they will be used**. After all, for centuries international conflicts have led to wars, with nations employing their deadliest weapons. **The** current **deterioration of U.S. relations with China might end up providing us with** yet **an**other **example of this phenomenon**. **The gathering tension** between the United States and China **is clear enough**. Disturbed by China's growing economic and military strength, the U.S. government recently challenged China's claims in the South China Sea, increased the U.S. military presence in Australia, and deepened U.S. military ties with other nations in the Pacific region. According to Secretary of State Hillary Clinton, the United States was "asserting our own position as a Pacific power." But **need this lead to nuclear war?** Not necessarily. And yet, there are signs that **it could**. After all, both the United States and China possess large numbers of nuclear weapons. The U.S. government threatened to attack China with nuclear weapons during the Korean War and, later, during their conflict over the future of China's offshore islands, Quemoy and Matsu. In the midst of the latter confrontation, President Dwight Eisenhower declared publicly, and chillingly, that U.S. nuclear weapons would "be used just exactly as you would use a bullet or anything else." Of course, China didn't have nuclear weapons then. Now that it does, perhaps the behavior of national leaders will be more temperate. But the loose nuclear threats of U.S. and Soviet government officials during the Cold War, when both nations had vast nuclear arsenals, should convince us that, even as the military ante is raised, **nuclear saber-rattling persists**. Some pundits argue that nuclear weapons prevent wars between nuclear-armed nations; and, admittedly, there haven't been very many -- at least not yet. But the Kargil War of 1999, between nuclear-armed India and nuclear-armed Pakistan, should convince us that such wars can occur. Indeed, in that case, the conflict almost slipped into a nuclear war. Pakistan's foreign secretary threatened that, if the war escalated, his country felt free to use "any weapon" in its arsenal. During the conflict, Pakistan did move nuclear weapons toward its border, while India, it is claimed, readied its own nuclear missiles for an attack on Pakistan. At the least, though, don't nuclear weapons deter a nuclear attack? Do they? Obviously, NATO leaders didn't feel deterred, for, throughout the Cold War, NATO's strategy was to respond to a Soviet conventional military attack on Western Europe by launching a Western nuclear attack on the nuclear-armed Soviet Union. Furthermore, if U.S. government officials really believed that nuclear deterrence worked, they would not have resorted to championing "Star Wars" and its modern variant, national missile defense. Why are these vastly expensive -- and probably unworkable -- military defense systems needed if other nuclear powers are deterred from attacking by U.S. nuclear might? Of course, the bottom line for those Americans convinced that nuclear weapons safeguard them from a Chinese nuclear attack might be that the U.S. nuclear arsenal is far greater than its Chinese counterpart. Today, it is estimated that the U.S. government possesses over 5,000 nuclear warheads, while the Chinese government has a total inventory of roughly 300. Moreover, only about 40 of these Chinese nuclear weapons can reach the United States. **Surely the United States would "win" any nuclear war with China. But what would that "victory" entail? An attack with these Chinese nuclear weapons would immediately slaughter at least 10 million Americans** in a great storm of blast and fire, while leaving many more dying horribly of sickness and radiation poisoning. **The Chinese death toll in a nuclear war would be far higher. Both nations would be reduced to smoldering, radioactive wastelands**. Also, **radioactive debris** sent aloft by the nuclear explosions **would blot out the sun and bring on a "nuclear winter" around the globe** -- destroying agriculture, creating worldwide famine, and generating chaos and destruction. Moreover, in another decade the extent of this catastrophe would be far worse. The Chinese government is currently expanding its nuclear arsenal, and by the year 2020 it is expected to more than double its number of nuclear weapons that can hit the United States. The U.S. government, in turn, has plans to spend hundreds of billions of dollars "modernizing" its nuclear weapons and nuclear production facilities over the next decade. **To avert** the enormous disaster of **a U.S.-China nuclear war,** there are two obvious actions that can be taken. The first is to get rid of nuclear weapons, as the nuclear powers have agreed to do but thus far have resisted doing. The second, conducted while the nuclear disarmament process is occurring, is to **improve U.S.-China relations**. If the **American and Chinese people** are **interested in ensuring** their **survival** and that **of the world**, they **should be working to encourage these policies**.

**Dollar Collapse Impact – Hegemony (1/2)**

**A. Dollar hegemony key to US economic prosperity and global leadership – it’s the backbone of primacy**

**Zoffer 12** (Josh, Engagement Manager at McKinsey & Company + former research analyst @ Greenmantle LLC + BA @ Harvard, "Future of Dollar Hegemony," 7/7, http://hir.harvard.edu/crafting-the-cityfuture-of-dollar-hegemony/)

As the issuer of the international reserve currency, the United States has garnered two unique economic benefits from dollar hegemony. First, **for other countries to be able to continually accumulate dollar reserves by purchasing dollar-denominated assets, capital has to flow out of the United States and goods have to flow in**. Effectively, the international economy must allow the United States to purchase a growing quantity of goods in order to facilitate the flow of capital into the coffers of other nations. As a result, the value of the dollar has to be kept higher than the value of other currencies in order to cheapen the price of imported goods. **While this arrangement has come at the cost of an ever-growing current account deficit, it has also subsidized US consumption and fueled the growth of the US economy**. Effectively, when a US citizen buys a cheap imported good priced in dollars, the exporter of that good must use those dollars to purchase dollar-denominated assets or invest that dollar in the United States, compounding the exchange effects of the system and aiding US economic growth. The second benefit of this system is its effect on the market for US government debt. **The largest market in the world for a single financial asset is the multi-trillion dollar market for American bonds.** This market, considered by many to be the most liquid in the world, allows any nation or large investor to park massive amounts of cash into a stable asset with a relatively desirable rate of return. While the depth and stability of US financial markets as a whole were part of the original reason nations gravitated toward the dollar as a reserve currency, the explosive growth of US government debt has made US Treasury bonds the center of the foreign exchange market and the most widely held form of dollar reserves. **The use of the US Treasury securities in currency reserves has created an almost unlimited demand for US debt**; if the federal government wishes to issue debt, someone will buy it if only as a way to acquire dollar holdings. **This artificially high demand means that the United States can issue debt at extremely low interest rates, especially relative to its national debt and overall economic profile**. And while the United States has had to pay off its existing debt by issuing new securities, no nation wants to call in its debt for fear that it would devalue the rest of its dollar holdings. While precarious and arguably dangerous in the long term, the reality is that as long as the dollar is the international reserve currency, the United States will have a blank check that no one wants to cash. Whether or not you agree with US fiscal policy**, it is indisputable that the ability to finance its debt has allowed the United States to provide its citizens with a high standard of living and fund its enormous military programs**. Essentially, **dollar hegemony has served as the backbone of US primacy**. Domestically, **the ability to run effectively unlimited budget deficits has allowed the United States to fund its massive entitlement programs and**, more recently, **afford sweeping bailouts at the height of the recession. The United States has used its unlimited allowance, afforded by dollar hegemony, to finance its high standard of living and maintain the prosperity required of a hegemon**. **More importantly, the United States has used the demand for American debt to fund its military apparatus**. Each year, the United States spends over US $600 billion on its military, excluding spending on the wars in Iraq and Afghanistan, constituting over forty percent of global military spending. Since the establishment of the post-World War II international order, the United States and its allies have relied on US military might to enforce their wishes upon the world and maintain the Western-dominated order. **The ability to intervene militarily in any conflict that threatens US interests and maintain US geopolitical influence and hegemony is a direct result of dollar hegemony**. For the past sixty-five years, the United States has relied on its excessive spending to fund its position of privilege and relied on the dollar’s position as the international reserve currency to fund this spending.

**Dollar Collapse Impact – Hegemony (2/2)**

**B. Hegemony solves existential threats and secures world peace**

Thomas P.M. **Barnett,** chief analyst, Wikistrat, “The New Rules: Leadership Fatigue Puts U.S. and Globalization, at Crossroads,” WORLD POLITICS REVIEW, 3—7—**11**, www.worldpoliticsreview.com/articles/8099/the-new-rules-leadership-fatigue-puts-u-s-and-globalization-at-crossroads

Events in Libya are a further reminder for **Americans** that we **stand at a crossroads in our continuing evolution as the** world's sole full-service **superpower.** Unfortunately, we are increasingly seeking change without cost, and shirking from risk because we are tired of the responsibility. We don't know who we are anymore, and our president is a big part of that problem. Instead of leading us, he explains to us. Barack Obama would have us believe that he is practicing strategic patience. But many experts and ordinary citizens alike have concluded that he is actually beset by strategic incoherence -- in effect, a man overmatched by the job. It is worth first examining the larger picture: We live in a time of arguably the greatest structural change in the global order yet endured, with this historical moment's most amazing feature being its relative and absolute lack of mass violence. That is something to consider when Americans contemplate military intervention in Libya, because if we do take the step to prevent larger-scale killing by engaging in some killing of our own, we will not be adding to some fantastically imagined global death count stemming from the ongoing "megalomania" and "evil" of American "empire." We'll be engaging in the same sort of system-administering activity that has marked our stunningly successful stewardship of global order since World War II. Let me be more blunt: **As the guardian of globalization, the U.S. military has been the greatest force for peace the world has ever known. Had America been removed from the global dynamics** that governed the 20th century, the mass murder never would have ended. Indeed, it's entirely conceivable **there would now be no** identifiable **human civilization left, once nuclear weapons entered the killing equation. But the world did not keep sliding down** that path of **perpetual war**. Instead**, America** stepped up and **changed everything by ushering in** our now-perpetual **great-power peace. We introduced** the international liberal trade order known as **globalization** and played loyal Leviathan over its spread. **What resulted was the collapse of empires, an explosion of** **democracy**, the **persistent spread of** **human rights, the liberation of women, the doubling of life expectancy, a roughly 10-fold increase in adjusted global GDP and a profound and persistent reduction in battle deaths from state-based conflicts.** That is what American "hubris" actually delivgered. Please remember that the next time some TV pundit sells you the image of "unbridled" American military power as the cause of global disorder instead of its cure. With self-deprecation bordering on self-loathing, we now imagine a post-American world that is anything but. Just watch who scatters and who steps up as the Facebook revolutions erupt across the Arab world. While we might imagine ourselves the status quo power, we remain the world's most vigorously revisionist force. As for the sheer "evil" that is our military-industrial complex, again, let's examine what the world looked like before that establishment reared its ugly head. The last great period of global structural change was the first half of the 20th century, a period that saw a death toll of about 100 million across two world wars. That comes to an average of 2 million deaths a year in a world of approximately 2 billion souls. Today, with far more comprehensive worldwide reporting, researchers report an average of less than 100,000 battle deaths annually in a world fast approaching 7 billion people. Though admittedly crude, these **calculations suggest a 90 percent absolute drop and a 99 percent relative drop in deaths due to war**. We are clearly headed for a world order characterized by multipolarity, something the American-birthed system was designed to both encourage and accommodate. But given how things turned out the last time we collectively faced such a fluid structure, we would do well to keep U.S. power, in all of its forms, deeply embedded in the geometry to come. To continue the historical survey, after salvaging Western Europe from its half-century of civil war, the U.S. emerged as the progenitor of a new, far more just form of globalization -- one based on actual free trade rather than colonialism. America then successfully replicated globalization further in East Asia over the second half of the 20th century, setting the stage for the Pacific Century now unfolding.

**Dollar Collapse Impact – War**

**Dollar collapse risks nuclear war with Russia and China – US elites will lash out**

**Jorgustin 14** (Ken, Contributor @ Modern Survival, "The Coming Collapse Of The Dollar, And A Time For War," 12/26, <http://webcache.googleusercontent.com/search?q=cache:Y_Y7AH5J37UJ:modernsurvivalblog.com/current-events-economics-politics/the-coming-collapse-of-the-dollar-and-a-time-for-war/+&cd=3&hl=en&ct=clnk&gl=us>)

You’ve heard that **desperate people do desperate things**, but will we (the pawns) be led to major war while the protected elite call the shots? **There is a looming collapse of the dollar and it will be caused by losing it’s reserve currency status**. When the ‘currency war’ fails, the **elites in desperation will lead us to the next major world war – which might even go nuclear**. Why? Because **the U.S. is not ‘playing’ with an Iraq this time. This time it’s playing with Russia, a major nuclear power** with a strong military, **in alliance with China**. This time it’s different… While the dollar is in a temporary rally, don’t be fooled. While the chess game may even take one to three years to play out till checkmate, once the ‘king’ is tipped over, once the dollar goes, the United States ’empire’ status is finished. Believe me – I do NOT wish for American hardship, as I am an American – but it’s just how I see the unfolding right now – and while I hope we do not suffer because of it, I do prepare for the uncertainty. In case you didn’t know, **the reason we** (the United States) **are able to sustain astronomical deficits, mind-boggling national debt, seemingly limitless spending on government and it’s programs, is because the dollar is the world’s currency reserve**. For those who have not been paying attention, this notion has been slowly slipping, and is being challenged and seen for what it really is – and is facing serious challenges ahead. In fact serious is not strong enough a word – more like desperate.

**Debt Impact – Econ (1/2)**

**A. Absent corrections, our growing national debt risks economic collapse**

**Haskins 17** (Justin, executive editor of The Heartland Institute, 1-14-17, "How the national debt could lead to another economic collapse" The Hill) thehill.com/blogs/pundits-blog/economy-budget/314207-is-the-united-states-on-the-verge-of-another-economic

How **the national debt could lead to another economic collapse Much ink has been spilled by researchers, journalists, and analysts arguing over the factors that led to the Great Recession of 2008,** but just about everyone agrees on at least one of the contributing problems: A significant economic “bubble” developed in the 2000s in the housing market because of risky lending practices, which led to home prices being artificially high. While much has been done by regulatory agencies and financial institutions since the 2008 crash to prevent the problem from occurring again, **data suggest a new and potentially more dangerous economic bubble is developing that could cause another recession, only this time, the stage is set for an even larger economic disaster. Since 2009, to help alleviate the fears of investors, financial institutions, and consumers, the Federal Reserve System has lowered interest rates to near-zero levels to encourage lending and has pumped trillions of dollars into the economy, making money more available** with the hope economic development would follow. **As part of a similar strategy,** when President **Obama** took office amidst the economic chaos of 2009, he and Democrats in Congress, like the Fed, **injected more money into the economy through a variety of programs, the largest of which were established by the American Recovery and Reinvestment Act,** which cost more than $830 billion and funded numerous government infrastructure projects. **As a result of these programs and policies,** as well as other, similar efforts, **the U.S. economy eventually stabilized,** slow-but-steady job growth ensued, and investors returned to the stock market. **But despite all the progress that appears to have been made** over the past eight years**, many of the underlying problems that led to the 2008 crash remain today, and some key economic indicators suggest that unless the United States experiences substantial economic growth soon, it could be on the verge of experiencing another major financial collapse. In the run up to the Great Recession, several significant problems developed, one of the most important of which was the rise of personal debt held by Americans**. Under President George W. Bush, from 2001 to 2009, outstanding mortgage debt climbed from $6.8 trillion to $14.7 trillion, spurred in part by a large growth in the monetary supply (M2), which increased by about $2.5 trillion, from around $5 trillion in 2001 to just under $7.5 trillion in 2008. All this occurred while annual GDP—the monetary value of all goods and services produced and one of the most widely used metrics for measuring economic growth—fell from 4 percent growth in 2000 to less than 2 percent prior to the crash. By comparison, from 1990 to 2000, a time of great economic growth, the monetary supply only grew by about $1.4 trillion and mortgage debt by $3.1 trillion, topping out at $6.7 trillion at the end of 2000. During Bush’s term, mediocre economic growth mixed with an increasing monetary supply and a significant accumulation of debt created a perfect storm that eventually led to the 2008 destabilization. In short, there were too many market distortions that made the economy appear as though it was stronger than it actually was. Once the distortions were made evident by rising foreclosure rates and collapsing Wall Street financial giants, the entire system came crumbling down. **In recent years, conditions appear to have grown even worse.** Since January 2009, more than $4 trillion has been pumped into the money supply, the most ever added in an eight year period, and after a brief dip, the outstanding mortgage debt has returned to the $14 trillion mark, which means the inflated housing market of the 2000s never fully corrected. Also, **student loan debt is now at an all-time high**, with outstanding debt totaling $1.4 trillion, more than credit card debt or debt from auto loans. **Government debt also increased under Obama as he has attempted to stimulate the economy with government spending. The $8 trillion added to the national debt under the Obama administration is the most debt ever accumulated under a single president** (and it doesn’t include figures for 2017). Further, just as in the latter-half of Bush’s presidency, GDP growth has been very low, averaging less than 2 percent since 2009. **The current economic picture looks eerily similar to the one in 2008: Economic growth is sluggish, personal debt is extremely high, the government is running massive annual deficits, and riskier investments are being encouraged by the current market conditions,** although this time it’s being caused by excess cash in the monetary supply. **President-elect Trump enters the White House at a crucial moment in U.S. history. If the economy does not grow rapidly in the coming years, allowing market distortions to correct and the Fed to safely increase interest rates** to bring the monetary supply back to its historical norm, **there could be another large-scale economic collapse in the not-so-distant future.**

**Debt Impact – Econ (2/2)**

**B. Economic collapse risks global war**

**Auslin 9** – Michael Auslin, Resident Scholar at the American Enterprise Institute, and Desmond Lachman, Resident Fellow at the 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**.

**Debt Impact – Moral Obligation**

**Reducing the national debt is a moral obligation – every new dollar of federal spending must be rejected**

**Boehner 11** (John, Speaker of the House, "Remarks by House Speaker John Boehner (R-OH) National Religious Broadcasters Convention, Nashville, TN As Prepared for Delivery February 27, 2011" https://www.speaker.gov/speech/full-text-boehner’s-speech-national-religious-broadcasters-washington’s-spending-binge

“**Now surpassing $14.1 trillion, our national debt is on track to eclipse the size of our entire economy** this year. In other words, we’re broke. Broke, going on bankrupt. Just as a bankrupt business has trouble creating jobs, so does a bankrupt country. “Italy, Spain, Greece, Ireland – even France – face sovereign debt crises and social unrest. Much of our debt has been bought up by China and Japan. Gas prices are rising. “**Economists have laid out the nightmare scenarios we may soon confront. One is known as ‘capital flight.’ This occurs when businesses stop investing and investors lose confidence, causing interest rates to rise, the debt to skyrocket, and the standard of living to fall. “But we are now at risk of losing a much more potent source of capital. That is the moral capital we gain from having a society that honors freedom and opportunity, and protects these values for our children and grandchildren.** “**Consider that a child born on this night will immediately inherit a $45,000 share of our national debt. By the time that newborn is getting ready to visit colleges, Medicare, Medicaid, Social Security, and the interest on our debt will consume all government revenues.** “Here we must speak the truth. Yes, **this level of debt is unsustainable. It is also immoral.** “Yes, this **debt is a mortal threat to our country. It is also a moral threat. “It is immoral to bind our children to as leeching and destructive a force as debt. It is immoral to rob our children’s future** and make them beholden to China. “No society is worthy that treats its children so shabbily. “‘A good man leaves an inheritance for his children’s children,’ Proverbs reminds us. For too long, Washington has been ignoring this time-honored principle. “As part of the designs of unrestrained government, Washington uses our people, our most plentiful resource, as its prime revenue source. Through more taxes and more regulations, money and freedom is drained from the people and transferred to Washington, which then redistributes these resources. “Remember, **every dollar the government takes is another dollar families cannot devote to strengthening their communities or saving for their children’s future**. “When that’s not enough, Washington borrows the rest of what it needs, giving few details on how the money will be spent. Two years ago, a borrowing binge for ‘stimulus’ took place with the idea that government should ‘never let a crisis go to waste.’ “**The bottom line here is: the more the government spends and borrows today, the more our children are forced to pay. The damage is as much moral as it is fiscal.** “I’ve always found, **when the government gets bigger, the people get smaller. The frontiers of the state crowd out local and private initiative. The value of hard work and fresh ideas is diminished. Dignity is diminished. We become more dependent on government, and it in turn becomes more dependent on us to stay afloat.** “Gone is our culture of independence – in its place, a cycle of dependence. “Is this to be our legacy? The answer may well be yes, unless we have the courage and the concern to do what is right, and right this wrong. “We have arrived at a brief, but critical moment of truth in which we can act. “I don’t know if you’ve ever actually seen how Washington goes about borrowing money. “For a small business, for entrepreneurs like yourselves, borrowing is a life-and-death decision. The kids, the vendors, the customers, the bank – you calculate all the angles. You go the second mile. “Well, the government auctions off our debt on about a weekly basis downtown at the Treasury Department. “You can go on your iPad ahead of time, call up all the information online. Everything’s automated, mostly done through conference calls and online interfaces. It all goes down in a matter of minutes – billions more piled on our kids and grandkids, just like that. “It’s a cold and unfeeling procedure, not at all befitting the moral danger in which we find ourselves. “In Washington, the abnormal becomes normal. It is no different with debt. Washington has managed to turn debt into an unthinking bureaucratic routine. It is denounced using stock phrases but continues as if there is no choice in the matter. There was even a prolonged period when Congress increased the government’s authority to borrow automatically. “With our situation as dire as it is, the president has asked Congress to raise the debt limit. “This time, however, things are different. The American people are coming to grips with the size and scope of this threat to freedom. “**Americans are demanding a return to a smaller, less costly, and more accountable way of doing things. They will not tolerate an increase in the national debt limit unless it is accompanied by meaningful spending cuts and reforms. “We have a moral responsibility to deal with this threat to freedom and liberate our economy from the shackles of debt and unrestrained government.**

## Aff Answers

**Budget Deficits High Now – 2AC**

**Trump’s budget destroys US fiscal health and national security**

**MacGuiness 5/12/17** (Maya, the president of the Committee for a Responsible Federal Budget, a nonpartisan organization committed to educating the public about issues that have significant fiscal-policy impact, "Declaring War on Fiscal Responsibility," <http://www.realclearpolicy.com/articles/2017/05/12/declaring_war_on_fiscal_responsibility_110243.html>)

The United States faces both security and fiscal threats. However, **lawmakers continue to deploy a budget gimmick to increase military spending without paying for it. Increasing the national debt and blasting a hole through the federal budget is not a defensible strategy**. In March, **the Trump administration requested defense funding above the limits set in law for the rest of this fiscal year.** Congress agreed on about $14 billion in additional funding by exploiting a budget loophole in the new omnibus spending package to circumvent the spending cap **by designating the extra funds as** Overseas Contingency Operations (**OCO) spending**. Unfortunately, this is not a new tactic. Congress did the same thing when President Obama requested defense spending above the cap in the fiscal year 2016 budget. OCO is intended for war-related spending. But in both 2016 and 2017 Congress included items from the regular defense budget not directly related to war costs. This budgetary sleight of hand threatens both our national security and our fiscal integrity. Instead of directly supporting troops in harm’s way, it provides cover for spending that would not pass muster under the normal rules. Moreover, **this gimmick is threatening to become the new normal**. Going forward, **policymakers must stand their ground and repulse these attacks on fiscal responsibility**. There are no criteria for or limits on what can be designated as OCO funding, nor is this process subject to the budget caps both parties agreed to under the Budget Control Act. As a result, it is tempting for Congress to include activities not related to war operations under this banner in order to circumvent the spending limits. But using a war spending account as a slush fund creates a dangerous precedent that could unravel the defense budget caps going forward. While designating spending as OCO effectively puts it off budget for purposes of budget rules, **the resulting increased spending still adds to the deficit**. As Congress gears up to battle over fiscal year 2018 spending, lawmakers must guard against relying on the OCO slush fund again. There will be much temptation to do so since President Trump is asking for a $54 billion increase in military spending above the limit. There is already talk of designating this increase as OCO instead of passing legislation to increase the cap and pay for it. Lawmakers should not sound a retreat on fiscal discipline, but, instead, pursue a more responsible way forward. If they feel that the cuts imposed by sequestration do not allow enough spending to meet our national security needs, they should acknowledge the cost of reversing the caps. Congress should be transparent about the costs of the increased spending and find a way to offset them, rather than adding to the deficit. The 2013 Ryan-Murray budget deal offers a template. That package combined short-term sequester relief with savings that improved longer-term sustainability. This is how budgeting is supposed to work — making tradeoffs in order to fund priorities — instead of using gimmicks. In addition to agreeing on — and paying for — an acceptable level of funding for the defense budget, Congress and the president should agree on limits for war spending. They should also limit what can be designated under OCO to spending directly related to combat operations or in support of activities in theaters of combat. Budget trickery is no way to fund our military. **Not only does the war spending gimmick increase the debt, it also fails to provide a predictable path for long-term defense planning.** Former Joint Chiefs of Staff Chairman Admiral Mike Mullen (Ret.) has said that the national debt is the biggest security threat facing the country. **Escalating the already unsustainable long-term debt in the name of national security is counterproductive.**

**Budget Deficits High Now – 1AR**

**Deficits inevitable – Trump's budget doesn't solve**

**Lockwood 5/24/17** (Frank, Columnist @ Arkansas Online, "Budget cuts alarm advocates for poor," <http://www.arkansasonline.com/news/2017/may/24/budget-cuts-alarm-advocates-for-poor-20/?f=news-arkansas>)

U.S. **Rep.** Steve **Womack, a Republican** from Rogers, **said changes** to the Supplemental Nutrition Assistance Program are necessary, but **aren't enough to fix Washington's budget woes**. "**The budget signals a desire to make needed reforms** to major programs like SNAP and Medicaid, **but ignores the primary drivers of the deficit and debt -- runaway entitlement programs,**" Womack said. "**Any attempt to balance the books of the Federal Government without addressing entitlement reform is unrealistic**."

**US deficit and debt situation getting worse now – historically high**

**Boccia 5/23/17** (Romina, deputy director of Thomas A. Roe Institute for Economic Policy Studies and the Grover M. Hermann fellow in federal budgetary affairs at The Heritage Foundation, "A Fiscal Storm Is Brewing: US Public Debt to Grow to 150% of GDP By 2047 If No Changes," <http://www.cnsnews.com/commentary/romina-boccia/fiscal-storm-brewing-us-public-debt-grow-150-gdp-2047-if-no-changes>)

**A fiscal storm has been brewing over America for years, and things are only getting worse**. **Publicly held debt**—the debt the U.S. is borrowing from credit markets (as opposed to debt owed to federal trust funds like Social Security)—**is at its highest level as a percentage of gross domestic product since World War II**.

**Spending Helps the Dollar – 2AC**

**Fiscal stimulus and spending BOOSTS the dollar**

**Domm 5/22/17** (Patti, Columnist @ CNBC, "Trump has officially become a negative for the US dollar," http://www.cnbc.com/2017/05/22/trump-has-officially-become-a-negative-for-the-us-dollar.html)

"**Something constructive on the U.S. fiscal front would be a much more powerful tonic for [dollar] support**. However, **domestic politics has seriously curtailed, although by no means completely extinguished expectations of a U.S. fiscal stimulus**," Ruskin wrote in a note. He added that the dollar will have a hard time recovering ahead of Comey's testimony. Sinche also said **a fiscal boost**, like the sudden effort to push tax cuts, **would be a big positive for the dollar**.

**Spending Helps the Dollar – 1AR**

**Increased federal spending STRENGTHENS the dollar**

**Jolly 5/24/17** (Jasper, Economics Reporter @ City AM, "The rise and fall of Trump's dollar: Six months on and political chaos has put the greenback back where it started," http://www.cityam.com/265323/rise-and-fall-trumps-dollar-six-months-and-political-chaos)

**The dollar’s surge came because of Trump’s promises to spend a trillion dollars on infrastructure while cutting taxes at the same time. A week after the election result the dollar broke through to 13-year highs. While the Republican party has made the classic supply side argument that tax cuts for the wealthy will pay for themselves by boosting growth (and therefore tax receipts) most economists and investors guessed the combination would result in a big fiscal expansion and inflation**: "Trumpflation" was born. Higher government spending would also boost the private sector in classic Keynesian style. American indices have duly hit fresh record highs with almost tiring regularity.

**Dollar Collapsing Now – 2AC**

**Dollar collapse coming now**

**Bruno 5/7/17** (Alessandro, Financial Analyst @ Lombardi Letter, "U.S. Dollar Collapse Is Coming Despite Widespread Optimism," https://www.lombardiletter.com/u-s-dollar-collapse-is-coming-despite-widespread-optimism/11140/)

A U.S. Dollar Collapse Timeline The U.S. dollar started 2017 by making some bullish moves against its main rival currency, the euro. But, **given the European political and economic risks at stake, the Greenback should have shown far greater strength.** Instead, **it has never managed to reach the parity that so many had expected, because of the Federal Reserve’s nominal interest-rate increases. A U.S. dollar collapse has started to become a real possibility**. Any dollar collapse predictions naturally raise two questions: 1) When will the dollar collapse happen? and 2) What will make it happen? Indeed, **you would be right to worry about a dollar collapse in 2017**. In January, anyone suggesting that the dollar would crash in 2017 would have faced skepticism, if not outright derision. The weakness of the euro and the mountain of existential risks that it faces simply in staying afloat acted as an injection of confidence in the dollar. Brexit is proving to be complicated. The United Kingdom, which is not even part of the eurozone, will have to pay a huge bill to divorce the European Union (EU). The U.K. also faces an uncertain future. That’s regardless of how confidently British Prime Minister Theresa May presents herself in meetings with her European counterparts. The U.K. will have to pay anywhere from $65.0 billion to $88.0 billion, said European Commission (EC) President Jean-Claude Juncker. (Source: “Brexit’s Costs and Whether Britain Will Pay Up: QuickTake Q&A,” Bloomberg, May 4, 2017.) You might be wondering what the U.K. and the eurozone have to do with the dollar. It turns out they have quite a bit to do with it. Surely, the two countries that have the highest reserves of U.S. dollars, Japan and China could make a U.S. dollar collapse happen tomorrow, even today. They can simply sell large chunks of their holdings of U.S. treasury bonds. China owns over a trillion dollars’ worth of U.S. treasury bonds, but Japan owns even more: $1.2 trillion. China does not want the U.S. dollar to go too high, because it would exacerbate the country’s capital outflow problem. China’s yuan is pegged to the U.S. dollar, and its central bank is trying to keep the yuan from going too high, in order to encourage exports. China has long ago stopped being the most advantageous place to do business. It has to contend with competition from other emerging Asian economies that offer even lower production costs. Japan, on the other hand, does want a high dollar, to make its high-quality products as competitive as they are attractive to American consumers. Japan has become far less dependent on a weaker yen than in the 1980s or 1990s. Japanese companies make a number of products in the United States, thus reducing the dollar’s impact. As a U.S. ally that is at a heightened level of security—given the situation in North Korea—Japan might be less inclined to prop up the dollar. This puts it in a rare situation of agreement with China. Therefore, the two largest holders of U.S. debt have few incentives to see the dollar go higher. A U.S. dollar collapse scenario would benefit neither China or Japan. For starters, a dollar collapse would represent the symptom of a wider financial crisis or outright economic collapse. The trouble is, that’s just what could happen. USDollarWeakerthanExpected\_Chart (002) Will the U.S. Dollar Collapse Despite Widespread Optimism? **A dollar collapse is starting to look likely, if not inevitable**. **Considering the political turmoil in Europe**, including the difficult Brexit proceedings in the U.K. and the various elections on the continent, **the Greenback should be propped up**. At the time of writing, however, the dollar was trading at about 1.09 to the euro. **The dollar had a chance at parity, but it’s slipping away.**

**Dollar Collapsing Now – 1AR**

**Trump and political scandals killing the dollar now**

**Domm 5/22/17** (Patti, Columnist @ CNBC, "Trump has officially become a negative for the US dollar," http://www.cnbc.com/2017/05/22/trump-has-officially-become-a-negative-for-the-us-dollar.html)

If the president is the standard bearer for the currency, Donald **Trump himself will have to stop being a negative in order to get the dollar back on its feet**. Boosted by the Trump trade, the dollar had soared after his election on the prospect that lower taxes, fiscal stimulus, and deregulation would boost the U.S. economy. But that trade has reversed, and **the dollar index is now down 6.6 percent from its post-election high and down 0.9 percent since the election**. "**The Trump premium in the dollar has become a Trump discount. Global capital just doesn't feel safe coming to the U.S**.," said Robert Sinche, chief global strategist at Amherst Pierpont. Besides the worries about the U.S., the dollar has been falling particularly hard against the euro, which is rallying on an improved outlook for the euro zone economy as well as expectation the European Central Bank will pull away from easy policies. The Trump trade in the greenback has evaporated, as **Washington became engulfed in the investigation into whether the Trump campaign had ties to Russia**. The concern is Congress and the White House are too distracted to push through a new health care bill and then get to work on tax reform, which had been a positive catalyst for stocks. J.P. Morgan global strategists studied investor positioning in a range of asset classes and stock sectors. "We conclude that there is little unwinding left to be done from here from the previous post-election build-up of Trump policy related positions," the analysts wrote in a note. In fact, they say the trades reversed even before the latest wave of negative news for Trump emerged last week, when there was a daily barrage of negative headlines. There was the naming of an independent counsel to investigate his campaign's ties to Russia. News reports also said the investigation had found a person of interest among the president's top aides in the White House. Even before that, there were reports that when Trump met with Russian diplomats in the White House, he reportedly revealed classified information to them, as well as told them that former FBI director James Comey was a "nut job." Sinche said the dollar's decline could be reversed, in part by central banks if the European Central Bank does not move away from its easy policies June 8 and the Fed raises interest rates, as expected June 15. "I think it's been the whole issue of what is his policy. Are we moving anywhere on tax reform? The whole monetary, fiscal policy mix? People thought it was going to be a very expansionary fiscal policy and a tightening monetary policy, and it's all up in the air," said Sinche. Trump is currently on his first overseas trip as president, so the news focus has been more on that and less on the investigation this week. "He's having a good trip so far. He stayed on script. These things could correct themselves, but once you get skepticism, **once you lose confidence, it's awfully hard to get it back**," he said. Some analysts say **the dollar will be stuck until Comey testifies before Congress** after the Memorial Day holiday. Comey reportedly said that Trump asked him to end his investigation into Michael Flynn, Trump's former national security adviser at the center of the investigation. "It's a turning point if they think it will lead to worse things for Trump. If it's better, you get a little bit of a relief rally," he said.

**No Dollar Impact – 2AC**

**Dollar hegemony is resilient**

Adam **Kritzer 10** is the lead editor of the Forex Blog and contributor to other leading financial news sites. B.A. in Economics from Penn, "Dollar Returns to Favor as World’s Reserve Currency" March 16 www.forexblog.org/2010/03/dollar-returns-to-favor-as-worlds-reserve-currency.html

Rumor has it that the Dollar is about to make a run**. As the credit crisis slowly subsides**, (currency) **investors are once again looking at the long-term, and they like what they see when it comes to the Dollar**.¶ For those that care to remember, **2008 was a great year for the Dollar, as the credit crisis precipitated an increase in risk aversion, and investors realized that despite its pitfalls, the Dollar was (and still is) the most stable and really the only viable global reserve currency.** [This reversed a trend which had essentially been in place since the inception of the Euro in 1999]. In 2009, meanwhile, the Dollar resumed its multi-year decline, and many analysts were quick to label the rally of 2008 as an aberration.¶ **Then came the debt crises**, first in Dubai, then in Greece. **Suddenly, a handful of smaller EU countries appeared vulnerable to fiscal crises. Japan officially became the first of the Aaa economies to receive a downgrade** in its credit rating. The British Pound is dealing with crises on both the political and economic fronts. According to Moody’s, “The ratings of the Aaa governments — which also include Britain, France, Spain and the Nordic countries — are currently ’stable’…But…their ‘distance-to-downgrade’ has in all cases substantially diminished.”Suddenly, the Greenback doesn’t look so bad.¶ I want to point out that in forex, everything is relative. (Novice) forex investors are often baffled by how sustained economic and financial crises don’t immediately result in currency depreciation. The explanation is that when **the crises are worse in (every) other countries, the base currency still looks attractive.¶ This is precisely the case when it comes to the US Dollar**. To be sure, **the economy is still flawed, financial markets have yet to fully to recover, the** federal budget **deficit topped $1.8 Trillion** in 2009, **and government finances seem close to the breaking point**. Moody’s has also identified the US as a candidate for a ratings downgrade. **And yet, when you look at the situation in every other currency that currently rivals the US for reserve currency status, the Dollar still wins hands down.¶ Its economy is the world’s largest. So are its financial markets, which are also the deepest and most liquid. Its sovereign finances arestill manageable** from the standpoint of debt-to-GDP and interest-to-revenue ratios. **It is the only currency whose circulation can even come close to meeting the needs of global trade.** Summarized S&P – when it confirmed the AAA credit rating of the US, “**The dollar’s widespread acceptance stems from the U.S. economy’s fundamental strength, which** in our view **comes from the economy’s size and the flexibility of labor and product markets**. We view U.S. banking and capital markets to be dynamic and unfettered relative to their peers.”¶ **That’s why auctions of US Treasury bonds remain heavily oversubscribed (demand exceeds supply), despite the rock-bottom interest coupons. China has reaffirmed its commitment to Treasuries** (what other choice does it have), **confirmed by some forensic accounting work**. Gold might continue to rally. So will other commodities, for all I know. Emerging market currencies are still in good shape as well, but **none of these will seriously rival the US Dollar** for a long-time, if ever. In short, **when it comes to the other majors, the Dollar is still King**: “You can say whatever you want, but **the dollar is the currency of last resort. It’s the currency people want in a crisis.**”

**No Dollar Impact – 1AR**

**Dollar isn’t key to heg**

**Gelb December 2010** Leslie, President Emeritus of the Council on Foreign Relations. He was a senior official in the U.S. Defense Department from 1967 to 1969 and in the State Department from 1977 to 1979, November/December Foreign Affairs, Proquest

**Most nations today beat their foreign policy drums largely to economic rhythms, but less so the U**nited **S**tates. Most nations define their interests largely in economic terms and deal mostly in economic power, but less so the United States. **Most nations have adjusted their national security strategies to focus on economic security, but less so the U**nited **S**tates. **Washington still principally thinks of its security in traditional military terms and responds to threats with military means**. The main challenge for Washington, then, is to recompose its foreign policy with an economic theme, while countering threats in new and creative ways. The goal is to redefine "security" to harmonize with twenty-first-century realities. The model already exists for such an economic-centric world and for a policy to match: the approach of U.S. Presidents Harry Truman and Dwight Eisenhower. They understood that a strong economy is the basis of both a vibrant democracy at home and U.S. military might abroad. They also knew that no matter how strong the U.S. economy and military, Washington would need a lot of help in checking communism. Accordingly, they bolstered U.S. power by resurrecting the economies of Western Europe and Japan, and they added legitimacy to that power by establishing international institutions such as the World Bank and nato. To respond to threats from the Soviet Union and communism, Truman and Eisenhower fashioned the policies of containment and deterrence, backed up by military and economic aid. The idea was to check Soviet military power without bankrupting the United States. Today, of course, any U.S. approach must account for the complexity of the global economy as well as new threats from terrorists and weapons of mass destruction. All this can be done-but not without causing some intellectual and political mayhem. **The most ferocious fight will be over how to rejuvenate the U.S. economy. Everyone agrees that it must be fixed, lest the nation face further decline and more dangers**. But few agree on how. The basic must-do list is lengthy, unforgiving, and depressingly obvious: improve public schools to sustain democracy and restore global competitiveness; upgrade the physical infrastructure critical to economic efficiency and homeland security; reduce public debt, the interest on which is devouring revenue; stimulate the economy to create jobs; and promote new sources of energy and freer trade to increase jobs, lower foreign debt, and reduce dependence on Middle Eastern oil. **Even as politicians and experts do their war dances on these do-or-die domestic issues, they will grapple over foreign policy**, as they should. **The U**nited **S**tates **is less and less able to translate its economic strength into influence abroad, even though it will remain for some time the world's largest economy**. Why this gap between U.S. power and results? In part, **it is because many problems internal to states today are beyond all external ministrations. It is also because U.S. power has been squandered and employed inefficiently**. Having overlooked profound changes in the world, **U.S. leaders have done little to modernize their national security strategy. Present U.S. strategy offers too little bang for its buck because there is not enough buck in the strategy**. A new way of thinking about U.S. interests and power must aim for a foreign policy fitted to a world in which economic concerns typically-but not always-outweigh traditional military imperatives

**No impact to dollar decline---it would cause stable duopoly with the euro**

**Bergsten 9** C. Fred Bergsten, Peterson Institute for International Economics, “The Dollar and the Deficits: How Washington Can Prevent the Next Crisis,” Article in Foreign Affairs, Volume 88 No. 6, November/December 2009

Both **the United States and the rest of the world have an interest in continued globalization** and efficient international financial markets, **and so neither has any interest in entirely eliminating the international role of the dollar**. In any case, **inertia is such a powerful force in financial matters that a sweeping step of this kind is technically impossible**. Instead, the United States should encourage two eminently feasible changes in the current international monetary order. The first is the further evolution of a multiple-currency system in which other monies increasingly share the international position of the dollar in private markets. The euro, based on a collective European economy as large as the United States' and with capital markets as extensive in most respects, is the most obvious candidate. **The euro already rivals the dollar in some domains**, such as currency holdings and private bond placements, and will become a full competitor whenever the eurozone countries adopt a more common fiscal policy. The Chinese renminbi is likely to acquire a significant international role once China allows it to be converted for financial as well as current account transactions and eases capital controls. **Some** observers **fear that a system of multiple currencies is inherently unstable**.**However, such a regime functioned smoothly for several decades before World War I, and a pound-dollar duopoly existed throughout the1920s. A dollar-euro duopoly has already begun to emerge over the last decade**. **Competition** between national currencies **is likely to improve economic policies and performance** by forcing market discipline on the governments and central banks behind these alternative currencies.

**No Econ Impact – 2AC**

**Economic decline does not cause war**

Daniel **Drezner 14**, IR prof at Tufts, The System Worked: Global Economic Governance during the Great Recession, World Politics, Volume 66. Number 1, January 2014, pp. 123-164

The final significant outcome addresses **a dog** that **hasn't barked**: the effect of the Great Recession on cross-border conflict and violence. **During the initial stages of the crisis, multiple analysts asserted that the financial crisis would lead states to increase their use of force** as a tool for staying in power.42 They voiced genuine concern that the global economic downturn would lead to an increase in conflict—**whether through** greater internal **repression, diversionary wars, arms races, or a ratcheting up of great power conflict**. Violence in the Middle East, border disputes in the South China Sea, and even the disruptions of the Occupy movement fueled impressions of a surge in global public disorder. **The aggregate data suggest otherwise, however**. The Institute for Economics and Peace has concluded that "**the average level of peacefulness in 2012 is approximately the same as it was in 2007**."43 **Interstate violence** in particular **has declined since the start of the financial crisis, as have military expenditures** in most sampled countries. Other **studies confirm that** **the Great Recession has not triggered any increase in violent conflict**, as Lotta Themner and Peter Wallensteen conclude: "[T]he pattern is one of relative stability when we consider the trend for the past five years."44 **The** secular **decline in violence that started with the end of the Cold War has not been reversed**. Rogers Brubaker observes that "**the crisis has not** to date **generated the surge in protectionist nationalism or ethnic exclusion that might have been expected**."43

**No Econ Impact – 1AR**

**Best studies prove no war results from economic decline**

**Brandt and Ulfelder ‘11** (\*Patrick T. Brandt, Ph.D. in Political Science from Indiana University, is an Assistant Professor of Political Science in the School of Social Science at the University of Texas at Dallas. \*\*Jay Ulfelder, Ph.D. in political science from Stanford University, is an American political scientist whose research interests include democratization, civil unrest, and violent conflict, April, 2011, “Economic Growth and Political Instability,” Social Science Research Network)

These **statements anticipating political fallout from the global economic crisis** **of 2008–2010** reflect a widely held view that economic growth has rapid and profound effects on countries’ political stability. When economies grow at a healthy clip, citizens are presumed to be too busy and too content to engage in protest or rebellion, and governments are thought to be flush with revenues they can use to enhance their own stability by producing public goods or rewarding cronies, depending on the type of regime they inhabit. When growth slows, however, citizens and cronies alike are presumed to grow frustrated with their governments, and the leaders at the receiving end of that frustration are thought to lack the financial resources to respond effectively. The expected result is an increase in the risks of social unrest, civil war, coup attempts, and regime breakdown. Although it is pervasive, **the assumption that countries’ economic growth rates strongly affect their political stability has not been subjected to a great deal of careful empirical analysis, and evidence from social science research to date does not unambiguously support it.** **Theoretical models** of civil wars, coups d’etat, and transitions to and from democracy often **specify slow economic growth as a**n important cause or **catalyst** of those events, **but empirical studies on the effects of economic growth on these phenomena have produced mixed results.** Meanwhile, **the effects of economic growth** on the occurrence or incidence of social unrest **seem** to have **hardly** been **studied in recent years**, as empirical analysis of contentious collective action has concentrated on political opportunity structures and dynamics of protest and repression. **This paper helps fill that gap by rigorously re-examining the effects of short-term variations in economic growth on the occurrence of several forms of political instability in countries worldwide over the past few decades**. In this paper, we do not seek to develop and test new theories of political instability. Instead, we aim to subject a hypothesis common to many prior theories of political instability to more careful empirical scrutiny. The goal is to provide a detailed empirical characterization of the relationship between economic growth and political instability in a broad sense. In effect, we describe the conventional wisdom as seen in the data. We do so with statistical models that use smoothing splines and multiple lags to allow for nonlinear and dynamic effects from economic growth on political stability. We also do so with an instrumented measure of growth that explicitly accounts for endogeneity in the relationship between political instability and economic growth. To our knowledge, **ours is the first statistical study of this relationship** **to** simultaneously **address** the possibility of **nonlinearity and** problems of **endogeneity**. As such, we believe **this paper offers what is probably the most rigorous general evaluation of this argument to date.** As the results show, some of our findings are surprising. Consistent with conventional assumptions, we find that social unrest and civil violence are more likely to occur and democratic regimes are more susceptible to coup attempts around periods of slow economic growth. At the same time, our analysis shows no significant relationship between variation in growth and the risk of civil-war onset, and results from our analysis of regime changes contradict the widely accepted claim that economic crises cause transitions from autocracy to democracy. While we would hardly pretend to have the last word on any of these relationships, our findings do suggest that **the relationship between economic growth and political stability is neither as uniform nor as strong as the conventional wisdom(s) presume(s)**. We think **these findings** also **help explain why the global recession of 2008–2010 has failed thus far to produce the** wave of coups and regime failures that some observers had anticipated, in spite of the expected and apparent uptick in social **unrest** associated with the crisis.

**Global Cooperation Low Now – 2AC**

**Trump kills global cooperation - Korea, Syria, NATO, UN, climate policy**

**Khor 5/24/17** (Martin, Columnist @ The Wire, "Why Trump’s First 100 Days Are a Serious Cause for Concern," https://thewire.in/127990/trumps-first-100-days-a-serious-cause-for-concern/)

This week, Donald Trump will mark his first 100 days as US President. It’s time to assess his impact on the world, especially the developing countries. It’s too early to form firm conclusions. But much of what we have seen so far is of serious concern. Recently **there have been many U-turns from Trump**. He had indicated that the US should not be dragged into foreign wars but on April 6 he attacked **Syria** with missiles, even though there was no clear evidence to back the charge that the Assad regime was responsible for using chemical weapons. Then his military dropped what is described as the biggest ever non-nuclear bomb in a quite highly-populated district in **Afghanistan**. Critics explain that this flexing of military might be aimed at the domestic constituency, as nothing is more guaranteed to boost a president’s popularity and prove his muscular credentials than bombing an enemy. Perhaps the actions were also meant to create fear in the leaders of North Korea. But **North Korea** threatens to counter-attack with conventional or nuclear bombs if it is attacked by the US, and it could mean what it says. Martin Khor. Credit: IPS Martin Khor. Credit: IPS Trump himself threatens to bomb North Korea’s nuclear facilities. With two leaders being so unpredictable, we might unbelievably be on a verge of a nuclear war. As the Financial Times’ commentator Gideon Rachman remarked, there is the danger that Trump has concluded that military action is the key to the “winning” image he promised his voters. “There are members of the president’s inner circle who do indeed believe that the Trump administration is seriously contemplating a ‘first strike’ on North Korea. But if Kim Jong Un has drawn the same conclusion, he may reach for the nuclear trigger first.” The New York Times columnist Nicholas Kristof says that the most frightening nightmare is Trump blundering into a new Korean war. It could happen when Trump destroys a test missile that North Korea is about to launch, and the country might respond by firing artillery at Seoul with a population of 25 million. He cites General Gary Luck, a former commander of American forces in South Korea, as estimating that a new Korean war could cause one million casualties and $1 trillion in damage. Let us all hope and pray that this nightmare scenario does not become reality. This may be the most unfortunate trend of the Trump presidency. Far from the expectation that he would retreat from being the world policeman and turn inward to work for “America First”, the new president may find that fighting wars or at least unleashing missiles and bombs on third world countries may “make America great again”. This may be easier than winning domestic battles like replacing former president Obama’s health care policy or banning visitors or refugees from seven Muslim-majority countries, an order that has been countered by the courts. But the message that people from certain groups or countries are not welcome in the US is having an effect: recent reports indicate a decline in tourism and foreign student applications to the US. **Another flip-flop was on NATO**. Trump condemned it for being obsolete, but recently hailed it for being “no longer obsolete,” to his Western allies’ great relief. Another note-worthy but welcome about-turn was when the US president conceded that China is after all not a currency manipulator. On the campaign trail, he had vowed to name China such a manipulator on day one of his presidency, to be followed up with imposing a 45% tariff on Chinese products. Trump continues to be obsessed by the US trade deficit, and to him China is the main culprit, with a $347 billion trade surplus versus the US. The US-China summit in Florida on April 7-8 cooled relations between the two big powers. “I believe lots of very potentially bad problems will be going away,” Trump said at the summit’s end. The two countries agreed to a proposal by Chinese President Xi Jinping to have a 100-day plan to increase US exports to China and reduce the US trade deficit. For the time being the much anticipated US-China trade war is off the radar. But it is by no means off altogether. Trump has asked his commerce secretary Wilbur Ross to prepare a report within 90 days on the US’s bilateral trade deficits with its trading partners, and whether any of them is caused by dumping, cheating, subsidies, free trade agreements, currency misalignment and even unfair WTO rules. Once Trump has the analysis, he will be able to take action to correct any anomalies, said Ross. We can thus expect the Trump administration to have a blueprint on how to deal with each country with a significant trade surplus with the US. If carried out, this would be an unprecedented exercise by an economic super-power to pressurise and intimidate its trade partners to curb their exports to and expand their imports from the US, or else face action. During the 100-day period, Trump did not carry out his threats to impose extra tariffs on Mexico and China. He did fulfil his promise to pull the US out of the Trans-Pacific Partnership Agreement (TPPA) but he has yet to show seriousness about revamping the North Atlantic Free Trade Agreement (NAFTA). A threat to the trade system could come from a tax reform bill being prepared by Republican congress leaders. The original paper contains a “trade adjustment” system with the effect of taxing US imports by 20% while exempting US exports from corporate tax. If such a bill is passed, we can expect a torrent of criticism from the rest of the world, many cases against the US at the WTO and retaliatory action by several countries. Due to opposition from several business sectors in the US, it is possible that this trade-adjustment aspect could eventually be dropped or at least modified considerably. In any case, as the new US trade policy finds its shape, the first 100 days of Trump has spread a cold protectionist wind around the world. On another issue, the icy winds have quickly turned into action, and caused international consternation. **Trump has moved to shred Obama’s climate change policy**. He proposed to cut the budget of the Environmental Protection Agency (EPA) by 31% and eliminate climate change research and prevention programmes throughout the federal government. The EPA, now led by a climate change skeptic, was ordered to revise its standards on tailpipe pollution from vehicles and review the Clean Power Plan, which was the centre-piece of Obama’s policy to reduce carbon dioxide emissions. The plan would have shut down hundreds of coal-fired power plants, stop new coal plants and replace them with wind and solar farms. “The policy reversals also signal that Mr Trump has no intention of following through on Mr Obama’s formal pledges under the Paris accord,” said Coral Davenport in the New York Times. Under the Paris agreement, the US pledged to reduce its greenhouse gases by about 26% from 2005 levels by 2025. “That can be achieved only if the US not only implements the Clean Power Plan and tailpipe pollution rules but also tightens them or adds more policies in future years,” says Davenport. She quotes Mario Molina, a Nobel prize-winning scientist from Mexico, as saying: “The message clearly is, we won’t do what the US has promised to do…They don’t believe climate change is serious. It is shocking to see such a degree of ignorance from the US.” Will the US pull out of the Paris Agreement? <<card continues>>

**Global Cooperation Low Now – 2AC**

<<card continues>> An internal debate is reportedly taking place within the administration. If the country cannot meet and has no intention of meeting its Paris pledge, then it may find a convenient excuse to leave. Even if it stays on, the new US delegation can be expected to discourage or stop other countries from moving ahead with new measures and actions. **There is widespread dismay about Trump’s intention to stop honouring the US pledge** to contribute $3 billion initially to the Green Climate Fund, which assists developing countries take climate actions. Obama had transferred the first billion, but there will be no more forthcoming from the Trump administration unless congress over-rules the president (which is very unlikely). **Another adverse development, especially for developing countries, is Trump’s intention to downgrade the importance of international and development cooperation**. In March **Trump announced his proposed budget with a big cut of 28%** or $10.9 billion **for the UN and other international organisations, the state department and the US agency for international development**, while by contrast the proposed military budget was increased by $54 billion. At about the same time, the UN humanitarian chief Stephen O’Brien urgently requested a big injection of donor funds to address the worst global humanitarian crisis since the end of the Second World War, with drought affecting 38 million people in 17 African countries. The US has for long been a leading contributor to humanitarian programmes such as the World Food program. In future, other countries will have to provide a greater share of disaster assistance, said Secretary of State Rex Tillerson. “The US is turning inward at a time when we are facing these unprecedented crises that require increasing US assistance,” according to Bernice Romero of Save the Children, as quoted in the Los Angeles Times. “In 2016 the US contributed $6.4 billion in humanitarian assistance, the largest in the world. Cutting its funding at a time of looming famine and the world’s largest displacement crisis since the Second World War is really unconscionable and could really have devastating consequences.” Trump also proposed to cut the US contribution to the UN budget by an as yet unknown amount and pay at most 25% of UN peacekeeping costs. The US has been paying 22% of the UN’s core budget of $5.4 billion and 28.5% of the UN peacekeeping budget of $7.9 billion. Trump also proposed a cut of $650 million over three years to the World Bank and other multilateral development banks. The foreign affairs community in the US itself is shocked by the shortsightedness of the Trump measures and 121 retired US generals and admirals urged congress to fully fund diplomacy and foreign aid as these were critical to preventing conflict. The proposed Trump budget will likely be challenged at the congress which has many supporters for both diplomacy and humanitarian concerns. We will have to wait to see the final outcome. Nevertheless **the intention of the president and his administration is clear and depressing**. And instead of other countries stepping in to make up for the US’s decrease in aid, some may be tempted to likewise reduce their contributions. For example, the UK Prime Minister Theresa May in answer to journalists’ questions refused to confirm that the UK would continue its tradition of providing 0.7% of GNP as foreign aid. This has led the billionaire and philanthropist Bill Gates to warn that a cut in UK aid, which currently is at 12 billion pounds, would mean more lives lost in Africa. Besides the reduction in funding, **the Trump foreign policy approach is** also **dampening the spirit and substance of international cooperation**. For example, the President’s sceptical attitude towards global cooperation on climate change will adversely affect the overall global efforts to reduce greenhouse gas emissions and build resilience to global warming.

**Global Cooperation Low Now – 1AR**

**Trump kills human rights and global coop**

**Murabit 5/10/17** (Alaa, physician, UN SDG global advocate, UN high-level commissioner, MIT Media Lab Director’s Fellow and the founder of The Voice of Libyan Women and The Omnis Institute, The Guardian, "Even in the age of Trump, I believe we can meet the global goals," <https://www.theguardian.com/global-development-professionals-network/2017/may/10/even-in-the-age-of-trump-i-believe-we-can-meet-the-global-goals>)

**The presidency of Trump, in the short-term, is proving to be awful for civil liberties, human rights and global cooperation**. But in the long-term this crisis has created the opportunity for new coalitions. We are seeing completely new groups of people working together because they realise what we have to lose is much greater than our differences.

**A2 “Debt is Immoral”**

**Debt isn’t immoral – this argument makes no logical sense**

**Klein 11** (Ezra, American journalist, blogger, and political commentator, 12-14-11, "Debt isn’t immoral" Washington Post) <https://www.washingtonpost.com/blogs/ezra-klein/post/debt-isnt-immoral/2011/08/25/gIQAaJcJuO_blog.html?utm_term=.e8458b8c15ae>

On first read, I thought Jared Bernstein’s essay rethinking debt was a bit simplistic. There’s nothing really new there. Which, on further reflection, is exactly the point. We don’t need a new understanding of debt. We just need an understanding of debt. Bernstein doesn’t put it quite like this, but **the basic problem with Washington’s conversation over debt is we’ve taken a fiscal tool and recast it as a moral sin.** Head over to Mitt Romney’s Web site and look at what it says across the top: “We have a moral responsibility not to spend more than we take in.” Really? Why? And over what time frame? **If you pressed Romney on this, I think he would say something like, “it’s irresponsible to pass a massive load of debt onto our children.” But as good as that sounds, no one really believes it. World War II left America with one of the highest debt burdens in the country’s history. But it would have been much more irresponsible to pass on a world in which the Nazis controlled Europe to our children.** Economy & Business Alerts Breaking news about economic and business issues. Sign up **The right way to think about debt is as a trade-off: Is it better to pay for something now or later?** Is it better to borrow to finance a purchase or forego the purchase altogether? **Faced with specific choices rather than abstract slogans, even the most stringent deficit hawk will occasionally opt to borrow. A few examples: — America clearly needs to buy something it can’t afford to pay for immediately. World War II is one example of this. Thomas Jefferson’s decisions to sell government bonds to finance the Louisiana Purchase is another. — The American government needs to step in and increase spending to support the economy during the crisis.** Put aside your feelings about the Obama administration’s stimulus bill. Both parties proposed deficit-financed stimulus in 2008 and 2009 for exactly this reason. **— There is an opportunity to borrow at rate X in order to finance an investment that will return more than X. Right now, for instance, America can borrow at a negative real interest rate and use that money to make infrastructure investments that a) need to be made eventually and b) are likely to produce a better-than-negative return.**