# AT: Neg

## AT: AI

#### [IT] The huge increase in productivity brought by AI would actually displace workers, which is why Kak 18 of Oklahoma State explains that up to 800 million people would get displaced by automation in the next 12 years.

https://www.nbcnews.com/think/opinion/will-robots-take-your-job-humans-ignore-coming-ai-revolution-ncna845366

A November 2017 report from global management consulting firm McKinsey on the effects of automation on jobs, skills and wages for the period ending in 2030 estimates that fully 50% of current work activities are automatable by technologies that have already been tested and found effective. The report predicts that in 60 percent of occupations, at least one-third of activities could be automated. **The report expects 400 million to 800 million people could be displaced by automation in the next 12 years, creating a challenge potentially greater than past historic shifts, at least in the modern era.**

## AT: Bailouts

#### [DL] Roubini 18 of The Guardian: Our debt levels are so massive that it actually restricts our ability to implement fiscal stimulus or bailout our economy. In fact, the only reason why we could pull out of 2008 was because of low debt levels.

Nouriel Roubini 18 of Guardian [Nouriel Roubini, 9-13-2018, Guardian, "We are due a recession in 2020 –&nbsp;and we will lack the tools to fight it", (), accessed 1-19-2019, https://www.theguardian.com/business/2018/sep/13/recession-2020-financial-crisis-nouriel-roubini] //AT

Finally, once the perfect storm outlined above occurs, the policy tools for addressing it will be sorely lacking. The space for fiscal stimulus is already limited by massive public debt. The possibility for more unconventional monetary policies will be limited by bloated balance sheets and the lack of headroom to cut policy rates. And financial-sector bailouts will be intolerable in countries with resurgent populist movements and near-insolvent governments. In the US specifically, lawmakers have constrained the ability of the Fed to provide liquidity to non-bank and foreign financial institutions with dollar-denominated liabilities. And in Europe, the rise of populist parties is making it harder to pursue EU-level reforms and create the institutions necessary to combat the next financial crisis and downturn. Unlike in 2008, when governments had the policy tools needed to prevent a free fall, the policymakers who must confront the next downturn will have their hands tied while overall debt levels are higher than during the previous crisis. When it comes, the next crisis and recession could be even more severe and prolonged than the last. Unlike in 2008, when governments had the policy tools needed to prevent a free fall, the policymakers who must confront the next downturn will have their hands tied while overall debt levels are higher than during the previous crisis. When it comes, the next crisis and recession could be even more severe and prolonged than the last.

#### [IT] The most likely economic stimulus that the U.S. is going to use in their world to pull out of a recession is quantitative easing. Quantitative easing is when the Fed electronically prints out its own money and buys its own bonds. When it buys its own bonds, it allows the Fed to lower interest rates because they are being compensated for. When interest rates are lowered, it stimulates the economy as people can take out more loans with less interest to pay back, so it encourages spending. However, quantitative easing also inflates our currency because there is more money in circulation. The Fed is going to use QE because of the

David John Marotta xx of Forbes [David John Marotta, xx-xx-xxxx, Forbes, "What Exactly Is Quantitative Easing?", (), accessed 1-25-2019, https://www.forbes.com/sites/davidmarotta/2014/05/05/what-exactly-is-quantitative-easing/#17a55e244fba] //AT

These purchases are effectively the same as printing money. But if it was called that, more people would realize it is a bad idea. Instead of printing money and letting the banks loan it to borrowers of their choosing, the Fed is making dollars more plentiful by loaning new money to the Treasury, via the purchase of Treasury bonds. That new money pushed into the economy is a shift in the monetary supply curve, making it easier for companies or individuals to borrow and expand. The hope is that corporate expansion will create more jobs. However, most businesses already have excess capacity. They cannot justify borrowing money to expand. At the same time, quantitative easing makes it less likely for companies to expand without borrowing money. The threat of inflation cripples entrepreneurial activity. Businesses wisely avoid spending today's expensive dollars on projects whose future success can only be measured in dollars of reduced value. So although printing money may help corporate expansion based on borrowing, it certainly reduces corporate investment using capital savings. These low interest rates encourage borrowing money, for example to purchase real estate. But even though investing in real estate may increase personal wealth, it does not help stimulate the economy.

#### high debt. In their world, when they do not prioritize reducing the debt, the national debt will always be high for them. However, quantitative easing reduces the debt, because Marotta 14 of Forbes explains it rapidly devalues our currency and effectively makes the value of the debt lower, so it makes it easier to pay off.

David John Marotta xx of Forbes [David John Marotta, xx-xx-xxxx, Forbes, "What Exactly Is Quantitative Easing?", (), accessed 1-25-2019, https://www.forbes.com/sites/davidmarotta/2014/05/05/what-exactly-is-quantitative-easing/#17a55e244fba] //AT

U.S. debt is not going to be paid off by increasing taxation on any group of people no matter how wealthy you judge them to be. It will primarily be eliminated by devaluing the currency, which is a [tax by inflation](http://www.marottaonmoney.com/tax-by-inflation/) that [hurts those who keep their wealth in fixed income](http://www.marottaonmoney.com/todays-20-year-olds-will-need-over-7-million-for-modest-retirement-lifestyle/). Quantitative easing is a sneaky way to make everyone dealing in U.S. dollars pay off the U.S. debt. To accomplish this, the government needs to devalue the currency faster than it is increasing the debt, effectively pardoning the difference.

#### Problematically, the inflation that quantitative easing creates unstable economies, as Barro 13 of the AEF finds in an empirical analysis of 100 countries, a 10% increase in inflation lowers long term GDP by up to 7%.

Barro 13 of AEF [Robert J. Barro, 2013, AEF, "Inflation and Economic Growth", (), accessed 1-25-2019, https://www.economicshelp.org/macroeconomics/inflation/inflation-essay-harmful/] //AT

A major finding from the empirical analysis is that the estimated effects of inflation on growth and investment are significantly negative when some plausible instruments are used in the statistical procedures. Thus, there is some reason to believe that the relations reflect causation from higher long-term inflation to reduced growth and investment. It should be stressed that the clear evidence for adverse effects of inflation comes from the experiences of high inflation. The magnitudes of effects are also not that large; for example, an increase in the average inflation rate by10 percentage points per year is estimated to lower the growth rate of real per capita GDP (on impact) by 0.2-0.3 percentage points per year. Some people have reacted to these kinds of findings by expressing skepticism about the value of cross-country empirical work. In fact, the wide differences in inflation experiences offered by the cross section provide the best opportunity for ascertaining the long-term effects of inflation and other variables on economic performance. If the effects cannot be detected accurately in this kind of sample, then they probably cannot be pinpointed anywhere else. In particular, the usual focus on annual or quarterly time series of 30-40 years for one or a few countries is much less promising. In any event, the apparently small estimated effects of inflation on growth are misleading. Over long periods, these changes in growth rates have dramatic effects on standards of living. For example, a reduction in the growth rate by 0.2-0.3 percentage points per year (produced on impact by10 percentage points more of average inflation) means that the level of real gross domestic product would be lowered after 30 years by 4-7%.14 In mid 1995, the U.S. gross domestic product was over $7 trillion; 4-7% of This

## AT: Debt Negligible

#### [DL] Harrigan 17 of U.S. News: The U.S. will soon run out of places to borrow from. Over time, the U.S. has borrowed so much that they are losing places where they can borrow.

<https://www.usnews.com/opinion/economic-intelligence/articles/2017-01-04/the-us-is-running-out-of-sources-for-borrowing-money>

**The federal government has borrowed so much that there are few places left on the planet where it can borrow more. Take a look at who has loaned the most money to the U.S. government. At the top of the list are the Social Security, Medicare and various federal pension trust funds**. For decades, these trust funds have collected more money than they have paid out to retirees – in total, over $5 trillion more. But every time the trust funds generated surpluses, the federal government would borrow and spend them. That makes American retirees the government's largest creditor.

#### [DL] Winkler 18 of Bloomberg: Investors are starting to see the U.S.’ amounting debt as risky, so many investors are starting to shift to Chinese bonds instead.

Matthew A. Winkler 18 of Bloomberg [Matthew A. Winkler, 12-12-2018, Bloomberg, "Markets Conclude the U.S. Is Riskier Than China", (), accessed 1-26-2019, https://www.bloomberg.com/opinion/articles/2018-12-12/markets-conclude-u-s-treasuries-are-riskier-than-chinese-debt] //AT

Here’s another reason Donald Trump is “[not at all happy with the Fed](https://www.washingtonpost.com/politics/2018/11/27/president-trumps-full-washington-post-interview-transcript-annotated/)” and will continue to be [frustrated](https://www.scmp.com/news/china/diplomacy/article/2164921/united-states-frustrated-chinas-lack-action-trade-imbalance) by the world’s No. 2 economy. He is the first president to suffer the new normal of China becoming more creditworthy than the U.S. That’s right: America now pays more to borrow money than China does. Since 2015, when the Federal Reserve began raising interest rates, the gap between the countries’ Treasury bills has narrowed and then reversed, so that now the U.S. must offer higher yields than China when it sells one-year paper. That happened for the first time in November, when the spread between Chinese and American 10-year notes also collapsed, according to data compiled by Bloomberg. Only 45 basis points separates these two nations in the bond market. China still pays a little more on benchmark securities. But that historic advantage, which coincided with the embrace of the multilateral alliances that made America great and that Trump disdains, may disappear altogether as investors lose confidence in the full faith and credit of the U.S. They would be pricing in various economic realities: the slowing rate of U.S. economic growth, the U.S. government’s exploding debt, the diminished Treasury revenue caused by the 2017 tax cuts, and the Fed’s pursuit of a monetary policy keeping rates well above their average for the decade. Investors see growth slowing, and it shows. Extreme fluctuations in the stock and bond markets the past month reflect investor anxiety over the transition from a brightening economy to the creeping sense that the best of this cycle has come and gone. U.S. government debt is also moving in the wrong direction. Since 2016, when the federal budget deficit as a percentage of gross domestic product declined to a decade-low of 2.2 percent from more than 10 percent in 2009, the deficit nearly doubled to almost 4 percent. GDP increased to a record $19.39 trillion at the end of 2017 as the annual rate climbed to 2.2 percent from 1.8 percent in 2007. But U.S. growth will deteriorate to an annualized 1.9 percent by 2020, according to economists surveyed by Bloomberg, putting more pressure on the widening deficit.

#### [DL] Davies 17 of Forbes: Foreign investment has decreased by 85% since 2000.

Antony Davies, 01-04-2017, US News &amp; World Report, "Borrowing on Borrowed Time", (), accessed 1-25-2019, https://www.usnews.com/opinion/economic-intelligence/articles/2017-01-04/the-us-is-running-out-of-sources-for-borrowing-money //AD

**Foreign investors have**[**slowed the growth**](https://www.treasury.gov/resource-center/data-chart-center/tic/Pages/fpis.aspx)**in their lending from over 20 percent per year in the early 2000s to less than 3 percent per year today.** Foreign investors are no longer interested in loaning our government seemingly limitless amounts of money. And **there is every indication that their willingness to lend will continue to wane.** Before the Great Recession, American investors were lending the federal government 10 percent less each year. The uncertainty of the recession caused a flight back to the perceived safety of Treasury bonds, but that quickly dissipated. Since 2001 and excluding the recession years, American investors have been lending the federal government an average of 2 percent less each year.

## AT: Econ Growth Good

#### [NU] Gilliespie 18 of CNNMoney: The U.S. economy has grown 2.3% last year and is projected to grow even more in the future.

"The world is witnessing the resurgence of a strong and prosperous America," Trump said in front of world leaders, CEOs and the press at the World Economic Forum in Davos, Switzerland, Friday. The **U.S. economy grew 2.3% last year, according to figures released Friday. That's the best growth in two years**. Consumers, small business owners and CEOs are confident partly due to President Trump's agenda. He and congressional Republicans delivered a major tax cut for corporations and individuals, and some companies have promised bonuses or raises for employees as a result. Many more are hinting at bigger payments to shareholders. Some foreign companies, like Samsung, have also opened up new factories in the United States too. But there's **another undeniable force behind the strong American economy: the global economy's own resurgence. Its comeback last year helped boost at least two things Trump takes sole credit for: Jobs and stocks. The global economy grew 3.7% last year, its fastest pace since 2010, according to new estimates from the IMF**. One especially rare thing happened in 2017: Every major country or region grew, from China to Europe to Latin America to Japan. Europe's economy is firing on all cylinders. China's growth is stable. Japan is finally on the rebound. And Latin America's big players (excluding Venezuela) have emerged from recession. A lot of U.S. companies sell their products in those markets. A **healthier global economy lifted the profits of American companies. Higher sales and profits helped to boost U.S. stock markets to records last year. But global growth matters to the American economy, especially for one sector Trump wants to expand: Manufacturing. American exports rose 5.5% last year. That may not sound like much, but it's a major turnaround from an export decline in 2016. And manufacturing depends heavily on selling planes, cars, medical equipment and other goods around the world. As exports rose, American factories added nearly 200,000 jobs last year**. A year earlier, U.S. manufacturers were cutting jobs. A key factor for manufacturing companies is the value of the U.S. dollar. A weaker dollar makes American products more affordable to foreign buyers. The dollar lost about 10% of its value last year. Other currencies around the world became more valuable, after central banks pulled back stimulus and economies became healthier. Meanwhile, economists, even at the IMF, anticipate that U.S. tax cuts will boost the economy this year -- but they won't be a long-term game changer. They predict growth will return to a ho-hum level slightly above 2% by 2019 or 2020. That expectation has dragged the dollar even lower. Trump told CNBC Thursday he expects the dollar to get "stronger and stronger" in the future, alluding to the economy's gains under his watch. Since the start of the year, it's down 3.3% to its lowest level in three years. Again, economists point to other countries' economies catching up. Economic growth in Year 2 of the Trump economy may even be better. The IMF predicts 2.7% growth in America. If it gets there, the rest of the world can take credit too. **IMF officials see global growth rising again this year to 3.9%.**

#### [IT] While economic growth may be generally good sometimes, Lachman 18 of U.S. News explains that the U.S. economy is growing well right now – but it falls under the risk of overheating. Overheating is, quite simply, when the economy grows too fast at an unsustainable rate. This happens when there is too much money and wealth is floating around for consumers to which the demand for all goods increase. Producers cannot compensate for this demand in such a short period of time, so when they can’t increase supply, they raise prices instead, leading to inflation. This rapid inflation causes recessions, which is why the CRS finds that every single recession since World War 2 has been precluded by overheating.

Desmond Lachman xx of US News &amp; World Report [Desmond Lachman, xx-xx-xxxx, US News &amp; World Report, "A Crisis Is Coming", (), accessed 1-5-2019, https://www.usnews.com/opinion/economic-intelligence/articles/2018-02-14/us-economy-is-in-danger-of-overheating-and-exploding-into-financial-crisis] //AT

The reason for fearing that the U.S. economy will soon overheat is not simply that it is currently at or very close to full employment and growing at a healthy clip. It is rather that it is also now getting an extraordinary degree of monetary and fiscal policy stimulus at this very late stage of the cycle. Today, U.S. financial conditions are at their most expansionary levels in the past 40 years due to the combination of very low interest rates, inflated equity prices and a weak dollar. Compounding matters is the fact that the U.S. economy is now receiving a significant pro-cyclical boost from the unfunded Trump tax cut and from last week's two-year congressional spending pact aimed at boosting military and disaster-relief spending. Today, in the face of an overheated U.S. economy, the Federal Reserve has an unenviable choice. It can either raise its interest rate and risk bursting the global asset price bubble, or it can delay its interests rate decision and risk incurring the wrath of the bond vigilantes who might sense that the Federal Reserve is not serious about inflation risk. In that event, interest rates are apt to rise in a disorderly fashion, which could lead to the more abrupt deflating of the global asset bubble.

InvestorWords [InvestorWords, "What is Overheating? definition and meaning", (), accessed 1-2-2019, http://www.investorwords.com/3549/overheating.html] //AT

[Economic](http://www.investorwords.com/1639/economic.html) situation in which [growth](http://www.investorwords.com/2258/growth.html) is occurring so quickly that [economists](http://www.investorwords.com/1651/economist.html) fear a [rise](http://www.investorwords.com/10933/rise.html) in [inflation](http://www.investorwords.com/2452/inflation.html). This happens when [producers](http://www.investorwords.com/3872/producer.html) are not [able](http://www.investorwords.com/14089/able.html) to [make](http://www.investorwords.com/10256/make.html) enough [goods](http://www.investorwords.com/2209/goods.html) and [services](http://www.investorwords.com/6664/service.html) to [meet](http://www.investorwords.com/10302/meet.html) rising [demand](http://www.investorwords.com/1396/demand.html), and [raise](http://www.investorwords.com/4025/raise.html) [prices](http://www.investorwords.com/3807/price.html) instead.

EveryCRSReport (EveryCRSReport, 2-2-2018, "What Causes a Recession?", (), accessed 1-2-2019, https://www.everycrsreport.com/reports/IN10853.html] //AT

Recessions can be caused by an overheated economy, in which demand outstrips supply, expanding past full employment and the maximum capacity of the nation's resources. Overheating can be sustained temporarily, but eventually spending will fall in order for supply to catch up to demand. A classic overheating economy has two key characteristics—rising [inflation](http://www.crs.gov/Reports/IF10477?source=search&guid=a37dc88951cf4d2e8104cdd5b9768c45&index=0) and unemployment below its ["natural" rate](http://www.crs.gov/Reports/R44663?source=search&guid=8f122ae04dfe46659c7a36d8919e64b9&index=11). As shown in [Figure 2](https://www.everycrsreport.com/reports/IN10853.html#_Ref504654280), each recession since World War II has featured a run-up in inflation before the recession began, except for the 1953-1954 recession. Some of these increases were larger than others, however. The last three recessions were preceded by increases in the inflation rate of under 3 percentage points, while five of the eight before then featured an increase in inflation of at least 3 percentage points. (The largest increase was the 8 percentage point increase before the 1980 recession.)

### AT: Econ Outpaces/Solves Debt

#### [DL] Black 18 of The Daily Bell: Despite the U.S. economy growing, the national debt is growing 36% faster than it.

Simon Black 18 of The Daily Bell [Simon Black, 3-20-2018, The Daily Bell, "At $21 TRILLION, the national debt is growing 36% faster than the US economy", (), accessed 1-21-2019, https://www.thedailybell.com/all-articles/news-analysis/at-21-trillion-the-national-debt-is-growing-36-faster-than-the-us-economy/] //AT

One important point to make is that debt growth is VASTLY outpacing GDP growth. And this is critical to understand. Last year, for example, the US economy grew by 2.5% in ‘real’ terms, i.e. stripping out inflation. Even if you include inflation in the calculation, the size of the US economy increased by 4.4%. Yet the national debt grew by 6%. Now that might not seem like a big difference. But it is. On a proportional basis, the national debt expanded 36% faster than the US economy (even if you include inflation). Over the course of several years, that effect compounds into something that’s quite nasty. At the end of 2008, for example, the size of the US economy was $14.5 trillion. A decade later, the size of the economy is $19.7 trillion, 36% greater. Yet over the past ten years, the national debt has grown from $9.4 trillion to over $21 trillion– a growth rate of 123%!

## AT: Government Cuts

#### [LT] Schwartz 18 of New York Times: If we keep pursuing our current trend, interest payments will become more expensive than Medicaid by 2020, and more expensive than the national defense by 2023, reducing spending on many programs and creating difficulties for repairing infrastructure or building projects. Overall, the CBO finds that reducing our national debt now would only cost 1.9% of our GDP – but in 10 years from the future, it would be 53% of our GDP if we do not act now.

Nelson D. Schwartz 18 of New York Times [Nelson D. Schwartz, 9-25-2018, No Publication, "As Debt Rises, the Government Will Soon Spend More on Interest Than on the Military", (), accessed 1-5-2019, https://www.nytimes.com/2018/09/25/business/economy/us-government-debt-interest.html] //AT

Interest costs already dwarf spending on many popular programs. For example, grants to students from low-income families for college total roughly $30 billion — about one-tenth of what the government will pay in interest this year. Interest payments will overtake Medicaid in 2020 and the Department of Defense budget in 2023. What’s more, the heavy burden of interest payments could make it harder for the government to repair aging infrastructure or take on other big new projects. Mr. Trump has called for spending $1 trillion on infrastructure, but Congress has not taken up that idea.
Peter G. Foundation 18 [11-20-2018, Peter G. Foundation, "Top 10 Reasons Why the National Debt Matters", (), accessed 1-18-2019, https://www.pgpf.org/fiscal-top-ten] //AT

[It makes sense to get started soon.](https://www.pgpf.org/blog/2018/06/four-key-takeaways-from-the-cbo-2018-long-term-outlook) According to CBO, we would need annual spending cuts or revenue increases (or both) totaling 1.9 percent of GDP in order to stabilize our debt. If we wait five years, that amount grows by 21 percent. If we wait ten years, it grows by 53 percent. Like any debt problem, the sooner you start to address it, the easier it is to solve.

#### [DL] Davison 18 of Bloomberg: Since the Democrats have a majority of the House of Representatives, and the Democrats want to raise taxes instead of slashing government programs, the U.S. is most likely to resort to tax rates to reduce the national debt instead of reducing government programs.

Laura Davison 18 of Bloomberg [Laura Davison, 8-23-2018, Bloomberg, "Here’s What May Happen to Your Taxes If&nbsp;Democrats Win the House", (), accessed 1-18-2019, https://www.bloomberg.com/news/articles/2018-08-23/overhauling-the-tax-overhaul-here-s-what-democrats-are-planning] //AT

Republicans thought the historic overhaul that slashed taxes would be one of their main campaign [selling points](https://www.bloomberg.com/politics/articles/2018-06-22/gop-leaders-want-to-celebrate-tax-cuts-but-few-are-listening) ahead of November elections. Instead, Democrats are talking more about the law -- and how they want to undo it. In their bid to retake control of Congress, many Democratic candidates are pointing to the $1.5 trillion tax cut -- and what they say are its exclusive benefits for corporations and wealthy individuals -- as a roadblock to expanding benefits like Social Security and Medicare. Chipping away at some of the law’s costly provisions will help to fund those programs, they say. “Democrats are able to go on the offense rather than be on defense,” said Celinda Lake, a Democratic pollster. While Democrats are campaigning against the tax cut, Republicans have been quietly shelving it and focusing more on cultural and social issues such as immigration. Polls consistently show less than half of Americans approve of the tax cut. There isn’t a formal list of agreed-upon tax policy changes, but some specific targets are emerging from discussions taking place within Democratic circles, including raising the corporate rate above 21 percent and changing the treatment of capital gains and carried interest. Other proposals, like repealing the new cap for state and local tax deductions and modifying the tax break for business owners, are proving to be more divisive. [Read more about the huge stakes for Trump in the midterm elections](https://www.bloomberg.com/news/articles/2018-07-19/the-huge-stakes-for-trump-in-the-midterm-elections-quicktake) So far, Democratic leaders have urged candidates to campaign on the issues they think will resonate in their districts, which has led to a wide array of messages. Representative Richard Neal of Massachusetts, the top Democrat on the tax-writing House Ways and Means Committee, has been hesitant to put out an economic plan while in the minority. And the House’s agenda will also be shaped by whomever serves as speaker, if Democrats regain control. Polling, fundraising and voter turnout in primaries indicate Democrats have a good shot of taking control of the House but have a much tougher road gaining a Senate majority. If Congress is split, any tax legislation House Democrats pass would likely die in the Senate or face a veto from President Donald Trump. But a House Democratic tax plan could serve as a blueprint for the changes the party would push for if it regains the Senate or wins back the White House in 2020. Here are some of the tax provisions on the Democrats’ radar: Increase Corporate Tax Rate Democrats are finding success -- particularly among blue collar workers over 50 -- by tying the corporate tax cuts to future reductions in Medicare, Medicaid and Social Security, Lake said. Slashing the corporate tax rate to 21 percent from 35 percent is estimated to cost $1.3 trillion over the next decade, according to [estimates](https://www.jct.gov/publications.html?func=startdown&id=5053) from the nonpartisan Joint Committee on Taxation. Increasing the rate, by at least a few percentage points, is likely to figure in Democrats’ sights as a way to offset the costs of other investments. In an infrastructure plan released in March, Senate Democrats called for a 25 percent corporate rate. More moderate House Democrats, including Neal, have said they’re supportive of a rate in the mid-to-high 20s. Representative John Delaney, a Maryland Democrat who is running for president in 2020, has called for increasing the corporate rate to 23 percent and to use additional revenue to fund infrastructure.

#### [DL] Starr 17 of Breitbart: In 2017, the government wasted $417 billion on trivial areas, such as a chimpanzee habitat or Shakespeare adaptation. The most likely government cut is going to be in these areas first.

Penny Starr 17 of Breitbart [Penny Starr, 12-31-2017, Breitbart, "Annual Report: Top 11 of 100 Outrageous Ways Federal Government Wasted $473 Billion in Taxpayer Money", (), accessed 1-20-2019, https://www.breitbart.com/politics/2017/12/31/11-outrageous-ways-federal-government-wasted-473-billion-in-taxpayer-money/] //AT

The report provides examples of waste and mismanagement that took place over eleven months, including newly documented past waste and ongoing wasteful practices. The total wasted dollars dug up for the report: $473 billion. Lankford wrote in the introductory remarks in the report: Included in ‘Federal Fumbles’ is just a sampling of instances where federal agencies or departments have wasted or inefficiently used billions of your dollars. The program and grant funding discussed in this book has already been allocated or spent and cannot be recovered. But highlighting it here provides lessons for agencies and hopefully encourages Congress to utilize its oversight and legislative authority to prevent future waste and misuse of federal tax dollars. Lankford said the report should be utilized by members of Congress to curtail the waste and make sure federal agencies “are doing the right thing, the right way.” “Americans rightly expect great things from their leaders in Washington,” Lankford said. “I offer this book as a guide for elected officials of both parties to identify areas of improvement so we may come together to do the work our constituents expect and our country deserves.” “There are certain things we wanted to be able to put into perspective with this,” Lankford said at the time the report was released. “This is the to-do list for next year.” The report is based on government oversight agencies, including inspectors general for each federal agency and the Government Office of Accountability (GOA). Unused Vehicles: $1.6 Billion — The Departments of Defense, Homeland Security, Agriculture, Justice, Interior and other agencies purchased an estimated 64,500 passenger vehicles, with $25,600 as the average cost for one vehicle. A GOA review of three agencies revealed there is no way to confirm if any of the vehicles were used. Trolley Expansion: $1.04 Billion — Last year the Department of Transportation awarded a $1.04 billion grant to extend a trolley line in San Diego, California, by 10.9 miles. The report noted that a billion dollars could pay for hundreds of miles of four-lane highways across the country. Lost Military Equipment: $1 Billion — The Office of Inspector General at the Department of Defense reported that the agency could not account for more than $1 billion in military equipment, including weapons and military vehicles. Congress appropriated the money for fiscal years 2015 and 2016 to supply equipment to security forces in Iraq. Chimpanzee Habitat: $52 Million — Over the past 17 years the National Institutes of Health (NIH) has spent more than $52 million to support the Chimpanzee Biomedical Research Resource, despite the fact that the 139 chimpanzees housed through the program are no longer used for biomedical research. Unused Software: $12 Million — The Internal Revenue Service spent $12 million in 2014 to purchase a two-year subscription to a cloud-based email software to replace its old system. The IG for the Treasury Department said because the software lacked compatibility and other requirements, it was never used. Fish Research: $2.6 million — Since 2003 the National Science Foundation (NSF) has paid $2.6 million to study the stickleback fish in various habitats, including one to determine how it adapted to murky water in Iceland. Language Studies: $1,109,792 Million — NSF awarded grants totaling more than $1.1 million dollars to study languages, including the Seenku language from the West African country of Burkina Faso, the four languages of New Guinea and the languages spoken in Nepal’s Manang district. Mexican Plant Study: $210,968 — The NSF funded a five-year study on native plants from Mexico to determine their role in the indigenous plant trade market. Higher Ed Aid: $138,000 — The Department of Energy (DOE) helps employees pay for educational courses to improve job skills. DOE paid one engineer $138,000 to take courses unrelated to his job, and he subsequently quit. Chinese Culture Tour: $100,000 — In 2016 the National Endowments for the Arts (NEA) awarded $100,000 to pay for Chinese troupes to perform in communities across the United States. Shakespeare Adaptation: $30,000 — An NEA grant was awarded to pay for the production of Doggie Hamlet. Included in the cast were humans, sheep, and dogs but no lines from Hamlet were used in the production.

### AT: Army Corps of Engineers

#### [DL] Ichniowski 17 of ENR: The Trump administration simply does not want to cut the ACE.

<https://www.enr.com/articles/42262-appropriators-oppose-trump-budget-cut-for-army-corps>

**Signals are strong that Congress will reject President Trump’s proposed sharp spending cut in fiscal year 2018 for the Army Corps of Engineers civil-works program**, which includes funds for river locks and dams, flood control and environmental restoration projects.

### AT: Education

#### [DL] Galston 17 of Brookings: There is bipartisan agreement for spending in education, making it unlikely that education will ever be cut.

<https://www.brookings.edu/blog/fixgov/2017/04/28/bipartisan-support-for-spending-complicates-life-for-gop/>

Notably, there are three **areas where majorities of both Republicans and Democrats now support increased spending: education**, veterans’ benefits and services, and infrastructure. Despite intense partisan polarization, which has not diminished during the early phase of the Trump administration, the opportunity for bipartisan agreement in these areas seems clear. And because President Trump emphasized two of these three issues—veterans and infrastructure—during his campaign, his leadership during the debate over the budget for Fiscal Year 2018 could prove decisive.

#### [DL] The Foundation for Economic Education: Most funding for education comes from the states, not the federal government.

<https://fee.org/articles/government-spending-on-education-is-higher-than-ever-and-for-what/>

Historically, **states have provided most of the money for higher education, “65 percent more than the federal government on average from 1987 to 2012,**” according to an analysis by the Pew Charitable Trusts.

### AT: EPA

#### [DL] Cama 18 of The Hill: Both Democrats and Republicans are rejecting Trump’s projected EPA cuts, meaning the EPA has bipartisan support now.

Cama 18 of The Hill [Timothy Cama, 3-21-2018, TheHill, "Spending bill rejects Trump’s proposed EPA cut", (), accessed 1-20-2019, https://thehill.com/policy/energy-environment/379679-spending-bill-rejects-trumps-proposed-epa-cut] //AT

The $1.3 trillion government-wide spending bill released late Wednesday rejects [President Trump](https://thehill.com/people/donald-trump)’s proposal to slash the Environmental Protection Agency (EPA) budget by 31 percent. Senior lawmakers negotiating the omnibus appropriations bill instead chose to give the agency $8.1 billion for fiscal 2018, keeping it at the same funding level as 2017. The bill still needs to pass both chambers of Congress and get President Trump’s signature before Friday at midnight in order to prevent a government shutdown. “The American people support investments in clean air and water, public lands, parks, and the arts and humanities, which are vital to the health and well-being of our communities and our economy,” Sen. [Tom Udall](https://thehill.com/people/tom-udall) (N.M.), the top Democrat on the Appropriations Committee subcommittee responsible for the EPA, said in a statement. “Together, we rejected the Trump administration’s proposal to make massive and dangerous budget cuts, and instead, we restored funding for the EPA,” Udall said. The funding level represents a victory for Democrats, who had argued that Trump’s cuts would be disastrous. But much of the GOP also opposed the 31 percent proposed cut. The bill includes a handful of new policy provisions for the EPA, including one to exempt farms from having to report their air pollution to the EPA and a requirement that the agency treat wood burning as a carbon-neutral and renewable electricity source. But the legislation also avoided a number of other policy riders that had Republican support or were in previous versions of the legislation. Lawmakers removed a provision that would have let the EPA skip the usual regulatory processes like gathering public comment as it works to repeal the Obama administration’s Clean Water Rule. In addition to the $8.1 billion for EPA in the main section of the bill, lawmakers tacked on an additional $763 million in another part of the bill for various EPA programs related to water infrastructure and to cleaning up polluted Superfund sites.

### AT: Infrastructure

#### [DL] Puzzanghera 18 of L.A. Times: Infrastructure spending has support from Trump, Democrats, and Republicans.

Jim Puzzanghera 18 of latimes [Jim Puzzanghera, 12-2-2018, latimes, "Rebuilding crumbling infrastructure has bipartisan support. But who gets to pay for it?", (), accessed 1-25-2019, https://www.latimes.com/business/la-fi-infrastructure-congress-trump-20181202-story.html] //AT

But the results of the November elections — particularly California voters refusing to repeal an increase in the state’s gas tax to pay for road and bridge repairs — are spurring optimism that a major infrastructure initiative is possible if party leaders can overcome key differences in how it would be structured. The need to rebuild the nation’s highways, dams and other infrastructure is one of the only areas of agreement among President Trump, congressional Republicans and Democrats, who will take control of the House next year. Projects range from filling [dangerous potholes](https://www.sacbee.com/news/local/transportation/article217570325.html) on Interstate 5 in California to the proposed $30-billion Gateway project to upgrade bridge and tunnel connections between New York City and New Jersey.

#### [DL] Cohen 16 of American Interest: There are too many roadblocks in the U.S. for Congress to actually pass infrastructure-related bills, such as union mandates, consulting fees, and regulations, which is why building infrastructure in the U.S. is significantly more expensive than other developed countries.

Cohen 16 of American Interest [Harry Zieve Cohen, 7-31-2016, American Interest, "Rebuilding America's Infrastructure Isn't Just About the Money", (), accessed 1-25-2019, https://www.the-american-interest.com/2016/07/31/rebuilding-americas-infrastructure-isnt-just-about-the-money/] //AT

It’s possible that the GOP might get behind a big infrastructure bill if they held the presidency. After all, building new roads is a time-tested way to accumulate political capital (this is also why government construction so often stinks of corruption). But even if Republicans do an about-face on debt-financed spending, America’s infrastructure won’t improve quickly. Republican opposition to infrastructure is short-righted in some ways, but it’s based on some good instincts. Infrastructure in the United States is saddled by union mandates, consulting fees, and other regulations that make building here far [more expensive](https://theweek.com/articles/449646/why-expensive-build-bridge-america) than in other developed countries. Spain is famously beset by bureaucratic inefficiencies, but it gets ten to twenty times more value for its spending as we do. The UK, which is generally considered a more apt comparison, isn’t as efficient as Spain, but it also does more with less. As with our convoluted health care system, the American mix of private and public financing and contracting drives perverse incentives and [poor outcomes](https://pedestrianobservations.wordpress.com/2011/05/16/us-rail-construction-costs/). (In fact, one of the big cost differentiators for America’s infrastructure is expensive health care for construction workers and transit employees.) It isn’t just all the added cost, either. Building takes much longer than it used to, as President Obama learned when he promised lots of “shovel-ready” stimulus projects and then found out that very few things in the U.S. are “shovel-ready.” Procurement and contract negotiation can themselves take years. Meanwhile, private contractors are rarely incentivized to keep costs down or to worry about future maintenance—common practice in the U.S. is simply to go with whatever bid is initially cheapest and then deal with overruns later. True, low interest rates mean the federal government can just pony up extra cash to cover the costs. But that won’t ensure things get built faster or address the reality that, under the current system, true maintenance costs on new projects won’t be factored into projections. Local and state governments will be left footing future bills and they, unlike the federal government, can’t borrow money cheaply and reliably. Any effort to finance infrastructure investments should consider these challenges. America’s infrastructure does need attention (although we’re skeptical of assessments from trade groups like the American Society of Civil Engineers). But to really fix it, Congress will have to do more than just authorize the spending. It will have to overhaul procurement policies, union regulations, and environmental restrictions. This isn’t just a left-wing or a right-wing concern: both unions and construction firm owners are benefiting from the current system at the public’s expense. Writing a blank check now will only further entrench the current interests (there’s a reason Wall Street smells opportunity) and make reform even harder to pursue in the future. Free cash is tempting, but to take it without pursuing any reform would be a costly mistake.

#### [IT] Horowitz 18 of 538: Infrastructure projects need workers, but the workers that they hire are already working a job. For example, construction workers building residential buildings will be pulled away into roads and engineers will be pulled from R&D into subway construction. However, the only way that infrastructure projects can hire new workers is by raising wages to compete with other fields, which leads to wage inflation.

Evan Horowitz 18 of FiveThirtyEight [Evan Horowitz, 2-5-2018, FiveThirtyEight, "America May Finally Be Ready To Fix Its Infrastructure. Too Bad The Timing Stinks.", (), accessed 1-25-2019, https://fivethirtyeight.com/features/america-may-finally-be-ready-to-fix-its-infrastructure-too-bad-the-timing-stinks/] //AT

Even without job creation, pouring money into infrastructure could still prove transformative — though not necessarily in a good way. By setting its own spending priorities, the federal government would essentially be pulling resources away from activities preferred by businesses and individuals. Construction crews may end up heading to highway work sites, for example, instead of to residential home-building jobs, or engineers may find themselves working on subway projects instead of private-sector research and development. Whether that’s a useful shift depends on the relative value of these various activities. But there’s no avoiding the trade-offs. And that’s true regardless of how the government funds its infrastructure plans, whether through direct spending or by partnering with states and private businesses, as the Trump administration [seems to prefer](https://www.nytimes.com/2018/01/31/us/politics/trump-infrastructure-plan.html). That is not to suggest that such policy details are irrelevant: Effective public-private partnerships require a tricky balance between [allowing private companies to profit and ensuring that rich and poor alike](http://www.epi.org/publication/no-free-bridge-why-public-private-partnerships-or-other-innovative-financing-of-infrastructure-will-not-save-taxpayers-money/) are given fair access to the resulting infrastructure; new government borrowing could make it [more expensive for private companies to borrow](https://www.stlouisfed.org/publications/central-banker/summer-2004/budget-deficits-and-interest-rates-what-is-the-link) — which would mean fewer productive investments. But in both these approaches, the only way to ultimately break ground on new infrastructure projects is to divert people and machines away from their current use — because in an economy at or around full employment, there isn’t a reserve army to draw on. Now, this competition for limited resources isn’t all bad, not for workers anyway. If the federal government has to vie with U.S. companies to hire qualified workers, it could start a bidding war, driving up pay and benefits. This is far from guaranteed, [given how sluggish wage growth has been](http://www.epi.org/nominal-wage-tracker/)despite our tight labor market, but it can’t be ruled out. But if pay did start to rise, odds are [inflation would, too](https://www.stlouisfed.org/on-the-economy/2015/november/relationship-between-wage-growth-inflation) — which could prove self-defeating. Rising inflation would likely trigger an aggressive response from the Fed, which has an [explicit mandate](https://www.federalreserve.gov/faqs/money_12848.htm) to keep inflation under control. That would mean [faster interest-rate hikes](https://www.federalreserve.gov/faqs/money_12856.htm) as part of a concerted effort to blunt inflation and moderate those wage gains.

#### [IT] Jaffe 15 of CityLab: The lack of roads aren’t the problem, it’s the existing roads. When we build new roads, we neglect maintenance of old roads because we think we solved the problem, but eventually all the roads become too difficult to maintain and overall road quality decreases. Washington state and Mississippi tried to increase spending on new roads, but the condition of their roads overall dropped. Consequently, when California and New Jersey spent more money on existing road and their quality increased.

It's long been time to focus more on maintaining America's existing roads and less on building new ones. The National Highway System already connects virtually all of the areas worth connecting. Driving [peaked circa 2004](https://www.citylab.com/commute/2014/02/were-driving-less-so-should-we-stop-building-new-roads/8507/)—and even earlier [in some states](http://www.washingtonpost.com/blogs/wonkblog/wp/2015/01/16/the-american-decline-in-driving-actually-began-way-earlier-than-you-think/). Traffic remains bad in many metros, but by itself expanding road networks can only [temporarily alleviate the problem](https://www.citylab.com/commute/2011/10/only-hope-reducing-traffic/315/), and over time might even increase it. And yet we build. We build without seeming to appreciate that every mile of fresh new road will one day become a mile of crumbling old road that needs additional attention. We build even though our pot of road funding requires increasingly creative (and [arguably illegal](https://www.citylab.com/politics/2014/12/the-way-congress-has-funded-transportation-since-2008-is-not-entirely-legal/383339/)) solutions to stay anything other than empty. The numbers tell the story best. From 2004 to 2008, states dedicated just 43 percent of their road budgets to maintain existing roads despite the fact that they made up [nearly 99 percent](http://www.smartgrowthamerica.org/documents/repair-priorities.pdf) of the road system. The other 1 percent—new construction—got more than half the money. From 2009 to 2011 states did only marginally better, spending 55 percent of their road money ($20.4 billion) on expansion and just 45 percent on maintenance ($16.5 billion): The above charts come from a [2014 Smart Growth America report](http://www.smartgrowthamerica.org/repair-priorities-2014)spotted by Streetsblog's Angie Schmitt in a [thoughtful recent post](http://usa.streetsblog.org/2015/02/05/more-money-wont-fix-u-s-infrastructure-if-we-dont-change-how-its-spent/) on America's maintenance crisis. On average the situation is bleak. Though some states do better than others, some do much, much worse. Washington state, for instance, spent 84 percent of its road funding on expansion between 2009 and 2011. Over that same time period the condition of its existing roads unsurprisingly fell. The share of its roads in poor condition went from 12 percent in 2008 to 27 percent in 2011. And Washington isn't the worst offender. According to the Smart Growth report, Mississippi spent 97 percent of its money on expansion. Utah wasn't far behind at 93 percent. Arizona, Nevada, North Carolina (all 83 percent), and Texas (82 percent) were in a similar ballpark. To keep the nation's roads in good repair would require about $45.2 billion a year, rather than the $16.5 currently spent on maintenance: In other words, we need to use all the available road money each year to fix our roads, and then some, to prevent them from falling into a state of disrepair that endangers public safety. And the more roads we build, the more we need to one day fix. Over that same period, road quality in each of these states declined in one form or another. The share of roads in poor condition in Mississippi rose from 18 to 30 percent, and in Utah from 7 to 11 percent, and in Arizona and North Carolina by a couple points each. Nevada's share of poor roads actually fell—but so did its share of road in "good" condition, from 62 percent all the way down to 24 percent. Compare these numbers to those for states that spend as much in road repair as they should. In 2011, California spent $1.44 billion to maintain roads, against a need of $1.3 billion—a habit that seems to pay off in road quality. California improved its share of "good" roads from 2008 to 2011, and decreased its share of "poor" ones. New Jersey followed a similar course: spending $1.1 billion in repairs against $225 million in needs, while watching road quality improve. That's not to say places like California or New Jersey don't have infrastructure problems. They do. But, at least circa 2011, they'd also recognized that maintenance counts as infrastructure, too.

#### [IT] Hao 18 of Quartz: Trump’s infrastructure plan is oriented around cities that are wealthy and economically healthy, while neglecting the poor. Cities that can cover their own costs are prioritized, while poorer countries are left in the dust.

Hao 18 of Quartz [Karen Hao, 1-24-2018, Quartz, "Trump’s leaked infrastructure plan would deepen urban inequality in the US", (), accessed 1-25-2019, https://qz.com/1186972/trumps-leaked-infrastructure-plan-favors-rich-cities-and-neighborhoods/] //AT

During his 2016 presidential campaign, Donald Trump pledged that, if elected, he would implement a $1 trillion plan to rebuild America’s crumbling infrastructure. He promised to [reinvest in inner cities](https://www.nytimes.com/2016/11/10/us/politics/trump-speech-transcript.html) and [rejuvenate economically impoverished urban areas](http://time.com/4443382/donald-trump-economic-speech-detroit-transcript/). But a draft of Trump’s infrastructure plan [leaked this week (Jan. 22) to Axios](https://www.axios.com/draft-white-house-infrastructure-plan-1516644555-0d43f417-6ccd-43f7-9eae-3ccbe711314d.html?utm_source=twitter&utm_medium=twsocialshare&utm_campaign=organic) neglects poorer neighborhoods and cities, and instead outlines funding principles that would use national resources to fuel development in already-wealthy metro areas. “Basically the whole structure [of this proposal] is oriented around cities that are not only wealthy but also economically healthy,” says [Yonah Freemark](https://yonahfreemark.com/), a transportation and urbanism expert and PhD student at MIT. “But for cities that are not economically healthy, it will be very hard to make this kind of funding stream work for them.” The leaked document, which remains unverified by the White House, restricts federal funding to covering only 20% of any total infrastructure project cost. That aligns with Trump’s

[2018 budget draft](https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/budget.pdf) from last May, which called for $200 billion of federal “seed” money to be allocated over 10 years to spur $1 trillion of total spending on infrastructure. The clearest evidence of the plan’s preference to support wealthier cities is the proposed criteria for evaluating whether a project should receive federal funds: The ability for a project to secure non-federal financing is given a weight of 70% while the potential economic and social returns of the project is weighted at just 5%. This is a “radically different approach” than how projects were evaluated under the Obama administration, says Freemark. Under Obama, a project was assessed mostly on its merits, such as whether it would address poverty or improve the environment. Trump’s proposed plan nearly eliminates merit as a consideration. “In my mind that sounds to me like infrastructure for infrastructure’s sake,” he says. ”It isn’t really about the public interest. It’s about making money.” To qualify for a piece of the federal pie, cities would have to come up with non-federal funds from one of two sources: either their own revenue from state and local taxes or outside investment from willing private partners. Both options disadvantage poorer cities. “If you’re in a place like Detroit where the market is not in great condition and there isn’t, for example, much traffic congestion,” says Freemark, “then it could be difficult to attract private companies to pay for the new toll roads if they don’t feel like people are going to pay the toll.” Essentially, cities already capable of covering 80% of its projects’ costs are more likely to win federal support. “It’s like a redistribution of the national resources toward cities that already have more money,” Freemark says. Trump’s proposed plan also privileges high-income neighborhoods over low-income ones within a given city, Freemark says. The leaked document requires transit projects to have a high return on investment as a condition for receiving federal support. In practice this means that if a city wanted federal money for a new subway line, it would need to show that the line would boost the area’s property values enough to cover the project’s cost. This requirement disincentivizes transit development in low-income neighborhoods where property values are not increasing. Those are often the neighborhoods that need public transit the most, says Freemark, to connect residents to better economic opportunities.

### AT: Medicare

#### [LT/NU] Keeler 18 of Brookings: Medicare will run out of funding by 2026.

Dan Keeler 18 of Brookings [Dan Keeler, 6-27-2018, Brookings, "How the ballooning federal debt threatens U.S. defense", (), accessed 1-5-2019, https://www.brookings.edu/blog/order-from-chaos/2018/06/27/how-the-ballooning-federal-debt-threatens-u-s-defense/] //AT

The largest programs in the mandatory spending category—Social Security, Medicare, and interest on the national debt—are all in some form of unsustainable crisis. This year, trustees from the Social Security and Medicare funds reported they will begin tapping into reserves in order to meet spending requirements. Trustees [indicate](https://www.wsj.com/articles/the-social-security-trust-fund-goes-bust-1528411768) that the Medicare fund will run out of dollars in 2026. Social Security is in slightly better shape, and [will be solvent](https://www.ssa.gov/oact/tr/2018/tr2018.pdf) until 2034. After that, the federal government will have to find other means to fund those programs or apply draconian cuts to benefits.

### AT: Social Security

#### [LT/NU] Keeler 18 of Brookings: Social security will run out of funding by 2034.

Dan Keeler 18 of Brookings [Dan Keeler, 6-27-2018, Brookings, "How the ballooning federal debt threatens U.S. defense", (), accessed 1-5-2019, https://www.brookings.edu/blog/order-from-chaos/2018/06/27/how-the-ballooning-federal-debt-threatens-u-s-defense/] //AT

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## AT: Green Tech

#### [DL] Leggett 15 of BBC: