**We affirm**

**Resolved:** The United States federal government should prioritize reducing the debt over promoting economic growth

**Now with our first observation**

The negative team must advocate for the status quo’s version of promoting economic growth for 2 implications

1. **Grounds-** In order for there to be a balanced debate, each team should stick with one policy defense. Economic growth policies should be those already passed to limit their infinite argument grounds. Since the affirmative is stuck with debt restricted impacts, limiting the negative creates a true balance and fairness. Since debaters only choose to participate in the event if there is precedent that is fair, you have to default to the negation as the status quo.

**Now with our second observation**

**Duppy writes[[1]](#endnote-1)** that the economic growth policies being proposed in the senate are aimed at simply making the rich richer and not directly at people in poverty who need it. This means economic growth is most probable to only end up benefitting the wealthy and having no real impact on the lives of majority of Americans.

**Our Sole contention is Recession**

**An incoming recession is confirmed for 2 reasons**

**First is the Yield Curve**

**The FRBC explains[[2]](#endnote-2)** that the yield curve is an economic model that has successfully been able to predict the past 7 recessions. This means that the model has been effectively proven to predict incoming recessions. Unfortunately, **Reuters writes in December of 2018[[3]](#endnote-3)** thatthe U.S. Treasury yield curve will invert next year, possibly within the next six months, with a recession to follow as soon as a year after that. Currently, high running deficits makes it worse, **Pento 17 explains[[4]](#endnote-4)** that because of the Federal Reserve’s severely impaired balance sheet, the next recession will result in economic harms far larger than the last recession.

**Second is the boom and bust cycle**

**Kenton explains[[5]](#endnote-5)** that a boom and bust cycle is a reoccurring cycle where times of high economic output and always followed by a recession. **Rusoff explains[[6]](#endnote-6)** that a large bust is predicted to come within the next 3 years. This only furthers the ideal that a recession is inevitable which is extremely problematic in a world with a skyrocketing debt.

**Schwartz explains[[7]](#endnote-7)** that increasing interest rates have caused U.S interest payments to cost significant portions of the annual budget. **Schwartz furthers** that high interest payments are going to make is harder for politicians to pull the U.S out of a future recession. Luckily, by controlling the debt, we can decrease the cost of interest payments which will in turn enable the U.S to borrow its way out of the next recession. In the status quo, **Pento 17 explains** that the deficit will cause the next recession to bring unprecedented chaos and volatility in the economy. **Francis finds** a crash of this magnitude originating from the US will lead to a worldwide contraction with devastating and lasting effects on both developed and emerging economies.

**There are Three Impacts of a Global Recession**

**The First is Poverty,**

A worldwide recession spurs intense decreases in economic growth, this is harmful as **The World Bank reports,** a 1% decline in developing country growth rates traps an additional 20 million people into poverty. This will trigger **heinous** amounts of global poverty.

**Second, Conventional Interstate Warfare**

**The Economist 18 finds,** many foreign-policy experts believe that the world is entering a new era in which [interstate wars] are becoming all too possible again. This is harmful because **Royal 10 explains,** Economic crises could usher in a redistribution of relative power that leads to uncertainty about power balances, increasing the risk of miscalculation and external conflict. With an increasingly multi polar world, this probability is only further magnified. This is why its uniquely important to reduce the debt now.

**Third, is increasing terrorism**

**Harris explains[[8]](#endnote-8)** that current economic growth in the middle east is currently removing the appeal of terrorist radicalization. **Erickson confirms[[9]](#endnote-9)** this as terrorism has recently began a downward trend in the middle east. **Erickson concludes[[10]](#endnote-10)** that terrorism has resulted in over 22,000 casualties annually. **Burrows explains** that economic decline will simply fuel the deadly self-radicalization of extremist groups.

**Thus, we affirm.**

#### C1 Evidence

#### Debt increases propensity for economic disaster, undercuts global leadership.

McBride and Masters ’18 (James McBride, bachelor’s degree from St. Olaf College in Northfield and a master’s degree from Georgetown University’s Edmund A. Walsh School of Foreign Service, Jonathan Masters, Masters has a BA in political science from Emory University and an MA in social theory from the New School, 5/31/18, “The National Debt Dilemma”, Council on Foreign Relations, <https://www.cfr.org/backgrounder/national-debt-dilemma)> //Isaac-A

It could become a drag on the economy. Some experts argue that **there is a tipping point beyond which large accumulations of government debt begin to slow growth**. They posit that this could be a result of **investors becoming more pessimistic about the economy as debt levels rise, which could rapidly drive up interest rates and thereby reduce private investment.** It could precipitate a fiscal crisis. Many experts warn that if U.S. debt continues to rise, **investors will eventually lose confidence in Washington’s ability to right its fiscal ship and become unwilling to finance U.S. borrowing without much higher interest rates**. If many investors begin fleeing to alternatives, it may become prohibitively expensive for Washington to attract new buyers of debt, resulting in even larger deficits and increased borrowing, or what is sometimes called **a debt spiral**. A fiscal crisis of this nature could necessitate **sudden and economically painful spending cuts or tax increases**.

#### Schwartz

Nelson D. Schwartz, No Publication, 9-25-2018, ["As Debt Rises, the Government Will Soon Spend More on Interest Than on the Military," https://www.nytimes.com/2018/09/25/business/economy/us-government-debt-interest.html?fbclid=IwAR2RtRZ07n40L6SI47sdR\_\_FYaBLilW-jR-Npig9Vf17YtxP6SDVYeBndLg, DOA: 11-30-2018] // ZWS

The federal government could soon pay more in interest on its debt than it spends on the military, Medicaid or children’s programs. **The run-up in borrowing costs is a one-two punch brought on by the need to finance a fast-growing budget deficit,** worsened by tax cuts and steadily rising interest rates that will make the debt more expensive. **With less money coming in and more going toward interest, political leaders will find it harder to address pressing needs like fixing crumbling roads and bridges or to make emergency moves like pulling the economy out of future recessions**. **Within a decade, more than $900 billion in interest payments will be due annually, easily outpacing spending on** myriad other programs. Already the fastest-growing major government expense, **the cost of interest is on track to hit $390 billion next year, nearly 50 percent more than in 2017**, according to the Congressional Budget Office. It’s very much something to worry about,” said C. Eugene Steuerle, a fellow at the Urban Institute and a co-founder of the Urban-Brookings Tax Policy Center in Washington. “**Everything else is getting squeezed.” Gradually rising interest rates would have made borrowing more expensive even without additional debt. But the tax cuts passed late last year have created a deeper hole, with the deficit increasing faster than expected**. A budget bill [approved in February that raised](https://www.nytimes.com/2018/02/08/us/politics/congress-budget-deal-vote.html?module=inline) spending by $300 billion over two years will add to the financial pressure**. The deficit is expected to total nearly $1 trillion next year** — the first time it has been that big since 2012, when the economy was still struggling to recover from the financial crisis and interest rates were near zero. Deficit hawks have gone silent, even proposing changes that would exacerbate the deficit. House Republicans introduced legislation this month that would make the tax cuts permanent**. “The issue has just disappeared,” said Senator Mark Warner, a Virginia Democrat. “There’s collective amnesia.**” The combination, say economists, marks a journey into mostly uncharted financial territory. **In the past, government borrowing expanded during recessions and waned in recoveries. That countercyclical policy has been a part of the standard Keynesian toolbox to combat downturns since the Great Depression**. **The deficit is soaring now as the economy booms, meaning the stimulus is pro-cyclical.** The risk is that the government would have less room to maneuver if the economy slows.

#### Interest on debt cuts into budget flexibility that is crucial for U.S. military, diplomatic, and humanitarian operations

McBride and Masters ’18 (James McBride, bachelor’s degree from St. Olaf College in Northfield and a master’s degree from Georgetown University’s Edmund A. Walsh School of Foreign Service, Jonathan Masters, Masters has a BA in political science from Emory University and an MA in social theory from the New School, 5/31/18, “The National Debt Dilemma”, Council on Foreign Relations, <https://www.cfr.org/backgrounder/national-debt-dilemma)> //Isaac-A

It could shrink the U.S. global footprint. **Without legislative action**, **interest** on the debt and mandatory government programs, such as Medicare, **will claim a growing piece of the budget pie, leaving fewer dollars for U.S. military, diplomatic, and humanitarian operations around the world.** It could become a drag on the economy. Some experts argue that there is a tipping point beyond which large accumulations of government debt begin to slow growth. They posit that this could be a result of investors becoming more pessimistic about the economy as debt levels rise, which could rapidly drive up interest rates and thereby reduce private investment. It could precipitate a fiscal crisis. Many experts warn that if U.S. debt continues to rise, investors will eventually lose confidence in Washington’s ability to right its fiscal ship and become unwilling to finance U.S. borrowing without much higher interest rates. If many investors begin fleeing to alternatives, it may become prohibitively expensive for Washington to attract new buyers of debt, resulting in even larger deficits and increased borrowing, or what is sometimes called a debt spiral. A fiscal crisis of this nature could necessitate sudden and economically painful spending cuts or tax increases. It could hamper the country’s ability to navigate future economic crises. In the view of some experts, massive debt accumulation could undermine **U.S. global leadership by eroding Washington’s ability to respond to future crises.** Another major financial crisis, like that of 2008–2009, could require new large-scale stimulus spending, a response that would be difficult given the U.S. debt load. **It could also constrain the nation’s ability to mobilize for an unexpected military conflict, weaken its global aid commitments, or siphon funds from the national security budget.** Finally, **it could leave the country vulnerable to foreign governments, especially China, that hold large chunks of U.S. debt and could potentially use the threat of a sell-off as leverage.**

#### Yep… we’re fucked

Keeler ’18 (Dan Keeler, Federal Executive Fellow @ The Brookings Institution and Commander in the U.S. Navy, “How the ballooning federal debt threatens U.S. defense”, Brookings Institute, <https://www.brookings.edu/blog/order-from-chaos/2018/06/27/how-the-ballooning-federal-debt-threatens-u-s-defense/)> //Isaac-A

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 that the Medicare fund will run out of dollars in 2026. Social Security is in slightly better shape, and will be solvent until 2034. After that, the federal government will have to find other means to fund those programs or apply draconian cuts to benefits. Simultaneously, the Congressional Budget Office projects that the federal debt will continue to grow, and that the debt-to-GDP ratio will be 94.5 percent in 2027. Interest payments on that debt will also continue to grow, nearly doubling from 1.6 percent of GDP in 2018 to 3.1 percent in 2028. In dollars, that means net interest payments will increase from $316 billion in 2018 to $915 billion in 2028. In other words, mandatory spending is going up, way up. As the CBO report states: “The federal government is on an unsustainable fiscal path. … Federal policymakers face economic, security, and social challenges requiring difficult policy choices, but a long-term fiscal plan is also needed to preserve flexibility to address unforeseen events.” DEFENSE SPENDING AT RISK What does this mean for defense spending? Nothing good. For the U.S. Navy, for instance—where I am a commander—it will be harder to sustain recent shipbuilding and modernization efforts. Based on the requirements of the National Security Strategy and National Defense Strategy, the Navy estimates it needs to increase its current force structure of 280 ships to 355. Using 2017 dollars, the CBO estimates it will cost approximately $27 billion dollars per year, for the next 30 years, to reach a 355-ship Navy. When operating and personnel costs are included, the figure is about $103 billion annually. All of these numbers represent a significant increase from allocations over the last 20 years. If mandatory spending increases take off and there are no structural changes, Congress will be forced to cut discretionary spending—including for projects like shipbuilding—in the mid-2020s to pay its bills. As it does, ships built in the 1980s and 90s will reach the end of their operating life, and without replacement ships, the nation’s fleet and global influence will shrink. What will happen then? For a current example, look no further than the United Kingdom’s Royal Navy. Due to recent austerity measures and budget priorities, the Royal Navy has shrunk to a shadow of its Cold War stature. Just last month, the U.K.’s national security adviser, Mark Sedwill, announced that his nation’s two new aircraft carriers would require allied escorts for wartime operations. Simply put, due to budget cuts, the Royal Navy does not have enough ships to defend its own capital ships. Apply similar scenarios across the U.S. Army, Air Force, and Marine Corps, and the fiscal future for defense looks very bleak. It does not have to be this way. There is still time to avoid the fiscal freight train coming our way. Over the years, experts and elected representatives have proposed numerous reforms to Social Security and Medicare in order to maintain the trusts’ solvency. Similarly, there are solutions for controlling the annual deficits that continue to drive the overall debt higher. Unfortunately, none of the solutions are politically easy. In 2011, a Congressional “super-committee” attempted to find a solution and failed spectacularly. The failure gave birth to the Budget Control Act, commonly known as sequestration. This failure should not preclude another attempt. If the United States wishes to compete on the world stage, it’s time to try again.

#### Economic fragility due to debt undercuts U.S. leadership, increases propensity of loose nukes, instability and war.

Lieberthal and O’Hanlon ’12 (Kenneth Lieberthal, senior fellow emeritus in Foreign Policy @ Brookings and political science professor emeritus at University of Michigan, and Michael E. O’Hanlon, senior fellow in Foreign Policy @ Brookings and adjunct professor at Columbia and Princeton, “The Real National Security Threat: America’s Debt”, Brookings Institute, https://www.brookings.edu/opinions/the-real-national-security-threat-americas-debt/) //Isaac-A

Why is this situation so serious? First, we are headed for a level of debt that within a decade could require us to spend the first trillion dollars of every year’s federal budget servicing that debt. Much less money will be left for other things. **That is a prescription for a vicious cycle of underfinancing for our infrastructure, national education efforts, science research and all the other functions of government that are crucial to long-term economic growth**. **Robust defense spending will be unsustainable too. Once we get in this rut, getting out will be very hard.** Second, such **a chronic economic decline would undercut what has been 70 years of strong national political consensus in favor of an activist and engaged American foreign policy.** One reason the United States was so engaged through the Cold War and the first 20 years of the post-Cold War world was fear of threats. But the other reason was that the strategy was associated with improvements in our quality of life as well. America became even more prosperous, and all major segments of society benefited. Alas, globalization and automation trends of the last generation have increasingly called the American dream into question for the working classes. Another decade of underinvestment in what is required to remedy this situation will make an isolationist or populist president far more likely because much of the country will question whether an internationalist role makes sense for America — especially if it costs us well over half a trillion dollars in defense spending annually yet seems correlated with more job losses. Lastly, **American economic weakness undercuts U.S. leadership abroad.** **Other countries sense our weakness and wonder about our purported decline.** If this perception becomes more widespread, and the case that we are in decline becomes more persuasive, **countries will begin to take actions that reflect their skepticism about America’s future**. **Allies and friends will doubt our commitment and may pursue nuclear weapons for their own security,** for example; adversaries will sense opportunity and be less restrained in throwing around their weight in their own neighborhoods. **The crucial Persian Gulf and Western Pacific regions will likely become less stable. Major war will become more likely.**

#### Debt reduction is a pre-req to effective foreign policy.

Lieberthal and O’Hanlon ’12 (Kenneth Lieberthal, senior fellow emeritus in Foreign Policy @ Brookings and political science professor emeritus at University of Michigan, and Michael E. O’Hanlon, senior fellow in Foreign Policy @ Brookings and adjunct professor at Columbia and Princeton, “The Real National Security Threat: America’s Debt”, Brookings Institute, https://www.brookings.edu/opinions/the-real-national-security-threat-americas-debt/) //Isaac-A

When running for president last time, Obama eloquently articulated big foreign policy visions: **healing America’s breach with the Muslim world, controlling global climate change, dramatically curbing global poverty through development aid, moving toward a world free of nuclear weapons**. These were, and remain, worthy if elusive goals. However, for Obama or his successor, there is now a much more urgent big-picture issue**: restoring U.S. economic strength. Nothing else is really possible if that fundamental prerequisite to effective foreign policy is not reestablished.**

#### US leadership is necessary to block revisionist powers, prevent terrorism, and prevent a global war

Kagan 2017 - Senior Fellow @ Brookings   
Robert, "Backing Into World War III," Feb 6, http://foreignpolicy.com/2017/02/06/backing-into-world-war-iii-russia-china-trump-obama/

Americans tend to take the fundamental stability of the international order for granted, even while complaining about the burden the United States carries in preserving that stability. History shows that world orders do collapse, however, and when they do it is often unexpected, rapid, and violent. The late 18th century was the high point of the Enlightenment in Europe, before the continent fell suddenly into the abyss of the Napoleonic Wars. In the first decade of the 20th century, the world’s smartest minds predicted an end to great-power conflict as revolutions in communication and transportation knit economies and people closer together. The most devastating war in history came four years later. The apparent calm of the postwar 1920s became the crisis-ridden 1930s and then another world war. Where exactly we are in this classic scenario today, how close the trend lines are to that intersection point is, as always, impossible to know. Are we three years away from a global crisis, or 15? That we are somewhere on that path, however, is unmistakable. And while it is too soon to know what effect Donald Trump’s presidency will have on these trends, early signs suggest that the new administration is more likely to hasten us toward crisis than slow or reverse these trends. The further accommodation of Russia can only embolden Vladimir Putin, and the tough talk with China will likely lead Beijing to test the new administration’s resolve militarily. Whether the president is ready for such a confrontation is entirely unclear. For the moment, he seems not to have thought much about the future ramifications of his rhetoric and his actions. China and Russia are classic revisionist powers. Although both have never enjoyed greater security from foreign powers than they do today — Russia from its traditional enemies to the west, China from its traditional enemy in the east — they are dissatisfied with the current global configuration of power. Both seek to restore the hegemonic dominance they once enjoyed in their respective regions. For China, that means dominance of East Asia, with countries like Japan, South Korea, and the nations of Southeast Asia both acquiescing to Beijing’s will and acting in conformity with China’s strategic, economic, and political preferences. That includes American influence withdrawn to the eastern Pacific, behind the Hawaiian Islands. For Russia, it means hegemonic influence in Central and Eastern Europe and Central Asia, which Moscow has traditionally regarded as either part of its empire or part of its sphere of influence. Both Beijing and Moscow seek to redress what they regard as an unfair distribution of power, influence, and honor in the U.S.-led postwar global order. As autocracies, both feel threatened by the dominant democratic powers in the international system and by the democracies on their borders. Both regard the United States as the principal obstacle to their ambitions, and therefore both seek to weaken the American-led international security order that stands in the way of their achieving what they regard as their rightful destinies. It was good while it lasted Until fairly recently, Russia and China have faced considerable, almost insuperable, obstacles in achieving their objectives. The chief obstacle has been the power and coherence of the international order itself and its principal promoter and defender. The American-led system of political and military alliances, especially in the two critical regions of Europe and East Asia, has presented China and Russia with what Dean Acheson once referred to as “situations of strength” that have required them to pursue their ambitions cautiously and, since the end of the Cold War, to defer serious efforts to disrupt the international system. The system has checked their ambitions in both positive and negative ways. During the era of American primacy, China and Russia have participated in and for the most part been beneficiaries of the open international economic system the United States created and helps sustain; so long as that system functions, they have had more to gain by playing in it than by challenging and overturning it. The political and strategic aspects of the order, however, have worked to their detriment. The growth and vibrancy of democratic government in the two decades following the collapse of Soviet communism posed a continual threat to the ability of rulers in Beijing and Moscow to maintain control, and since the end of the Cold War they have regarded every advance of democratic institutions — especially the geographical advance of liberal democracies close to their borders — as an existential threat. That’s for good reason: Autocratic powers since the days of Klemens von Metternich have always feared the contagion of liberalism. The mere existence of democracies on their borders, the global free flow of information they cannot control, the dangerous connection between free market capitalism and political freedom — all pose a threat to rulers who depend on keeping restive forces in their own countries in check. The continual challenge to the legitimacy of their rule posed by the U.S.-supported democratic order has therefore naturally made them hostile both to that order and to the United States. But, until recently, a preponderance of domestic and international forces has dissuaded them from confronting the order directly. Chinese rulers have had to worry about what an unsuccessful confrontation with the United States might do to their legitimacy at home. Even Putin has pushed only against open doors, as in Syria, where the United States responded passively to his probes. He has been more cautious when confronted by even marginal U.S. and European opposition, as in Ukraine. The greatest check on Chinese and Russian ambitions has been the military and economic power of the United States and its allies in Europe and Asia. China, although increasingly powerful, has had to contemplate facing the combined military and economic strength of the world’s superpower and some very formidable regional powers linked by alliance or common strategic interest — including Japan, India, and South Korea, as well as smaller but still potent nations like Vietnam and Australia. Russia has had to face the United States and its NATO allies. When united, these U.S.-led alliances present a daunting challenge to a revisionist power that can call on few allies of its own for assistance. Even were the Chinese to score an early victory in a conflict, such as the military subjection of Taiwan or a naval battle in the South or East China Sea, they would have to contend over time with the combined industrial productive capacities of some of the world’s richest and most technologically advanced nations and the likely cutoff of access to foreign markets on which their own economy depends. A weaker Russia, with its depleted population and oil- and gas-dependent economy, would face an even greater challenge. For decades, the strong global position enjoyed by the United States and its allies has discouraged any serious challenge. So long as the United States was perceived as a dependable ally, Chinese and Russian leaders feared that aggressive moves would backfire and possibly bring their regimes down. This is what the political scientist William Wohlforth once described as the inherent stability of the unipolar order: As dissatisfied regional powers sought to challenge the status quo, their alarmed neighbors turned to the distant American superpower to contain their ambitions. And it worked. The United States stepped up, and Russia and China largely backed down — or were preempted before acting at all. Faced with these obstacles, the best option for the two revisionist great powers has always been to hope for or, if possible, engineer a weakening of the U.S.-supported world order from within, either by separating the United States from its allies or by raising doubts about the U.S. commitment and thereby encouraging would-be allies and partners to forgo the strategic protection of the liberal world order and seek accommodation with its challengers. The present system has therefore depended not only on American power but on coherence and unity at the heart of the democratic world. The United States has had to play its part as the principal guarantor of the order, especially in the military and strategic realm, but the order’s ideological and economic core — the democracies of Europe and East Asia and the Pacific — has also had to remain relatively healthy and confident. In recent years, both pillars have been shaken. The democratic order has weakened and fractured at its core. Difficult economic conditions, the recrudescence of nationalism and tribalism, weak and uncertain political leadership and unresponsive mainstream political parties, and a new era of communications that seems to strengthen rather than weaken tribalism have together produced a crisis of confidence not only in the democracies but in what might be called the liberal enlightenment project. That project elevated universal principles of individual rights and common humanity over ethnic, racial, religious, national, or tribal differences. It looked to a growing economic interdependence to create common interests across boundaries and to the establishment of international institutions to smooth differences and facilitate cooperation among nations. Instead, the past decade has seen the rise of tribalism and nationalism, an increasing focus on the Other in all societies, and a loss of confidence in government, in the capitalist system, and in democracy. We are witnessing the opposite of Francis Fukuyama’s “end of history.” History is returning with a vengeance and with it all the darker aspects of the human soul, including, for many, the perennial human yearning for a strong leader to provide firm guidance in a time of confusion and incoherence. The Dark Ages 2.0 This crisis of the enlightenment project may have been inevitable, a recurring phenomenon produced by inherent flaws in both capitalism and democracy. In the 1930s, economic crisis and rising nationalism led many to doubt whether either democracy or capitalism was preferable to alternatives such as fascism and communism. And it is no coincidence that the crisis of confidence in liberalism accompanied a simultaneous breakdown of the strategic order. Then, the question was whether the United States as the outside power would step in and save or remake an order that Britain and France were no longer able or willing to sustain. Now, the question is whether the United States is willing to continue upholding the order that it created and which depends entirely on American power or whether Americans are prepared to take the risk — if they even understand the risk — of letting the order collapse into chaos and conflict. That willingness has been in doubt for some time, well before the election of Trump and even before the election of Barack Obama. Increasingly in the quarter century after the end of the Cold War, Americans have been wondering why they bear such an unusual and outsized responsibility for preserving global order when their own interests are not always clearly served — and when the United States seems to be making all the sacrifices while others benefit. Few remember the reasons why the United States took on this abnormal role after the calamitous two world wars of the 20th century. The millennial generation born after the end of the Cold War can hardly be expected to understand the lasting significance of the political, economic, and security structures established after World War II. Nor are they likely to learn much about it in high school and college textbooks obsessed with noting the evils and follies of American “imperialism.” Both the crises of the first half of the 20th century and its solution in 1945 have been forgotten. As a consequence, the American public’s patience with the difficulties and costs inherent in playing that global role have worn thin. Whereas previous unsuccessful and costly wars, in Korea in 1950 and Vietnam in the 1960s and 1970s, and previous economic downturns, such as with the energy crisis and crippling “stagflation” of the mid- to late 1970s, did not have the effect of turning Americans against global involvement, the unsuccessful wars in Iraq and Afghanistan and the financial crisis of 2008 have. Obama pursued an ambivalent approach to global involvement, but his core strategy was retrenchment. In his actions and his statements, he critiqued and repudiated previous American strategy and reinforced a national mood favoring a much less active role in the world and much narrower definition of American interests. The Obama administration responded to the George W. Bush administration’s failures in Iraq and Afghanistan not by restoring American power and influence but by further reducing them. Although the administration promised to “rebalance” American foreign policy to Asia and the Pacific, in practice that meant reducing global commitments and accommodating revisionist powers at the expense of allies’ security. The administration’s early attempt to “reset” relations with Russia struck the first blow to America’s reputation as a reliable ally. Coming just after the Russian invasion of Georgia, it appeared to reward Moscow’s aggression. The reset also came at the expense of U.S. allies in Central Europe, as programs of military cooperation with Poland and the Czech Republic were jettisoned to appease the Kremlin. This attempt at accommodation, moreover, came just as Russian policy toward the West — not to mention Putin’s repressive policies toward his own people — was hardening. Far from eliciting better behavior by Russia, the reset emboldened Putin to push harder. Then, in 2014, the West’s inadequate response to the Russian invasion of Ukraine and seizure of Crimea, though better than the Bush administration’s anemic response to the invasion of Georgia (Europe and the United States at least imposed sanctions after the invasion of Ukraine), still indicated reluctance on the part of the U.S. administration to force Russia back in its declared sphere of interest. Obama, in fact, publicly acknowledged Russia’s privileged position in Ukraine even as the United States and Europe sought to protect that country’s sovereignty. In Syria, the administration practically invited Russian intervention through Washington’s passivity, and certainly did nothing to discourage it, thus reinforcing the growing impression of an America in retreat across the Middle East (an impression initially created by the unnecessary and unwise withdrawal of all U.S. troops from Iraq). Subsequent Russian actions that increased the refugee flow from Syria into Europe also brought no American response, despite the evident damage of those refugee flows to European democratic institutions. The signal sent by the Obama administration was that none of this was really America’s problem. In East Asia, the Obama administration undermined its otherwise commendable efforts to assert America’s continuing interest and influence. The so-called “pivot” proved to be mostly rhetoric. Inadequate overall defense spending precluded the necessary increases in America’s regional military presence in a meaningful way, and the administration allowed a critical economic component, the Trans-Pacific Partnership, to die in Congress, chiefly a victim of its own party’s opposition. The pivot also suffered from the general perception of American retreat and retrenchment, encouraged both by presidential rhetoric and by administration policies, especially in the Middle East. The premature, unnecessary, and strategically costly withdrawal of American troops from Iraq, followed by the accommodating agreement with Iran on its nuclear program, and then by the failure to hold the line on threats to use force against Syria’s president, was noticed around the world. Despite the Obama administration’s insistence that American strategy should be geared toward Asia, U.S. allies have been left wondering how reliable the U.S. commitment might be when facing the challenge posed by China. The Obama administration erred in imagining that it could retrench globally while reassuring allies in Asia that the United States remained a reliable partner. Nature abhors a vacuum The effect on the two great revisionist powers, meanwhile, has been to encourage greater efforts at revision. In recent years, both powers have been more active in challenging the order, and one reason has been the growing perception that the United States is losing both the will and the capacity to sustain it. The psychological and political effect of the wars in Afghanistan and Iraq in the United States, which has been to weaken support for American global engagement across the board, has provided an opening. It is a myth, prevalent among liberal democracies, that revisionist powers can be pacified by acquiescence to their demands. American retrenchment, by this logic, ought to reduce tensions and competition. Unfortunately, the opposite is more often the case. The more secure revisionist powers feel, the more ambitious they are in seeking to change the system to their advantage because the resistance to change appears to be lessening. Just look at both China and Russia: Never in the past two centuries have they enjoyed greater security from external attack than they do today. Yet both remain dissatisfied and have become increasingly aggressive in pressing what they perceive to be their growing advantage in a system where the United States no longer puts up as much resistance as it used to. The two great powers have differed, so far, chiefly in their methods. China has until now been the more careful, cautious, and patient of the two, seeking influence primarily through its great economic clout and using its growing military power chiefly as a source of deterrence and regional intimidation. It has not resorted to the outright use of force yet, although its actions in the South China Sea are military in nature, with strategic objectives. And while Beijing has been wary of using military force until now, it would be a mistake to assume it will continue show such restraint in the future — possibly the near future. Revisionist great powers with growing military capabilities invariably make use of those capabilities when they believe the possible gains outweigh the risks and costs. If the Chinese perceive America’s commitment to its allies and its position in the region to be weakening, or its capacity to make good on those commitments to be declining, then they will be more inclined to attempt to use the power they are acquiring in order to achieve their objectives. As the trend lines draw closer, this is where the first crisis is likely to take place. Russia has been far more aggressive. It has invaded two neighboring states — Georgia in 2008 and Ukraine in 2014 — and in both cases hived off significant portions of those two nations’ sovereign territory. Given the intensity with which the United States and its allies would have responded to such actions during the four decades of the Cold War, their relative lack of a response must have sent quite a signal to the Kremlin — and to others around the world. Moscow then followed by sending substantial forces into Syria. It has used its dominance of European energy markets as a weapon. It has used cyberwarfare against neighboring states. It has engaged in extensive information warfare on a global scale. More recently, the Russian government has deployed a weapon that the Chinese either lack or have so far chosen not to deploy — the ability to interfere directly in Western electoral processes, both to influence their outcomes and more generally to discredit the democratic system. Russia funds right-wing populist parties across Europe, including in France; uses its media outlets to support favored candidates and attack others; has disseminated “fake news” to influence voters, most recently in Italy’s referendum; and has hacked private communications in order to embarrass those it wishes to defeat. This past year, Russia for the first time employed this powerful weapon against the United States, heavily interfering in the American electoral process. Although Russia, by any measure, is the weaker of the two great powers, it has so far had more success than China in accomplishing its objective of dividing and disrupting the West. Its interference in Western democratic political systems, its information warfare, and its role in creating increased refugee flows from Syria into Europe have all contributed to the sapping of Europeans’ confidence in their political systems and established political parties. Its military intervention in Syria, contrasted with American passivity, has exacerbated existing doubts about American staying power in the region. Beijing, until recently, has succeeded mostly in driving American allies closer to the United States out of concern for growing Chinese power — but that could change quickly, especially if the United States continues on its present trajectory. There are signs that regional powers are already recalculating: East Asian countries are contemplating regional trade agreements that need not include the United States or, in the case of the Philippines, are actively courting China, while a number of nations in Eastern and Central Europe are moving closer to Russia, both strategically and ideologically. We could soon face a situation where both great revisionist powers are acting aggressively, including by military means, posing extreme challenges to American and global security in two regions at once. The dispensable nation All this comes as Americans continue to signal their reluctance to uphold the world order they created after World War II. Donald Trump was not the only major political figure in this past election season to call for a much narrower definition of American interests and a lessening of the burdens of American global leadership. President Obama and Bernie Sanders both expressed a version of “America First.” The candidate who spoke often of America’s “indispensable” global role lost, and even Hillary Clinton felt compelled to jettison her earlier support for the Trans-Pacific Partnership. At the very least, there should be doubts about the American public’s willingness to continue supporting the international alliance structure, denying the revisionist powers their desired spheres of influence and regional hegemony, and upholding democratic and free market norms in the international system. Coming as it does at a time of growing great-power competition, this narrowing definition of American interests will likely hasten a return to the instability and clashes of previous eras. The weakness at the core of the democratic world and the shedding by the United States of global responsibilities have already encouraged a more aggressive revisionism by the dissatisfied powers. That, in turn, has further sapped the democratic world’s confidence and willingness to resist. History suggests that this is a downward spiral from which it will be difficult to recover, absent a rather dramatic shift of course by the United States. That shift may come too late. It was in the 1920s, not the 1930s, that the democratic powers made the most important and ultimately fatal decisions. Americans’ disillusionment after World War I led them to reject playing a strategic role in preserving the peace in Europe and Asia, even though America was the only nation powerful enough to play that role. The withdrawal of the United States helped undermine the will of Britain and France and encouraged Germany in Europe and Japan in Asia to take increasingly aggressive actions to achieve regional dominance. Most Americans were convinced that nothing that happened in Europe or Asia could affect their security. It took World War II to convince them that was a mistake. The “return to normalcy” of the 1920 election seemed safe and innocent at the time, but the essentially selfish policies pursued by the world’s strongest power in the following decade helped set the stage for the calamities of the 1930s. By the time the crises began to erupt, it was already too late to avoid paying the high price of global conflict. In such times, it has always been tempting to believe that geopolitical competition can be solved through efforts at cooperation and accommodation. The idea, recently proposed by Niall Ferguson, that the world can be ruled jointly by the United States, Russia, and China is not a new one. Such condominiums have been proposed and attempted in every era when the dominant power or powers in the international system sought to fend off challenges from the dissatisfied revisionist powers. It has rarely worked. Revisionist great powers are not easy to satisfy short of complete capitulation. Their sphere of influence is never quite large enough to satisfy their pride or their expanding need for security. In fact, their very expansion creates insecurity, by frightening neighbors and leading them to band together against the rising power. The satiated power that Otto von Bismarck spoke of is rare. The German leaders who succeeded him were not satisfied even with being the strongest power in Europe. In their efforts to grow still stronger, they produced coalitions against them, making their fear of “encirclement” a self-fulfilling prophecy. Give ‘em an inch, they’ll take a mile This is a common trait of rising powers — their actions produce the very insecurity they claim to want to redress. They harbor grievances against the existing order (both Germany and Japan considered themselves the “have-not” nations), but their grievances cannot be satisfied so long as the existing order remains in place. Marginal concession is not enough, but the powers upholding the existing order will not make more than marginal concessions unless they are compelled to by superior strength. Japan, the aggrieved “have-not” nation of the 1930s, did not satisfy itself by taking Manchuria in 1931. Germany, the aggrieved victim of Versailles, did not satisfy itself by bringing the Germans of the Sudetenland back into the fold. They demanded much more, and they could not persuade the democratic powers to give them what they wanted without resorting to war. Granting the revisionist powers spheres of influence is not a recipe for peace and tranquility but rather an invitation to inevitable conflict. Russia’s historical sphere of influence does not end in Ukraine. It begins in Ukraine. It extends to the Baltic States, to the Balkans, and to the heart of Central Europe. And within Russia’s traditional sphere of influence, other nations do not enjoy autonomy or even sovereignty. There was no independent Poland under the Russian Empire nor under the Soviet Union. For China to gain its desired sphere of influence in East Asia will mean that, when it chooses, it can close the region off to the United States — not only militarily but politically and economically, too. China will, of course, inevitably exercise great sway in its own region, as will Russia. The United States cannot and should not prevent China from being an economic powerhouse. Nor should it wish for the collapse of Russia. The United States should even welcome competition of a certain kind. Great powers compete across multiple planes — economic, ideological, and political, as well as military. Competition in most spheres is necessary and even healthy. Within the liberal order, China can compete economically and successfully with the United States; Russia can thrive in the international economic order upheld by the democratic system, even if it is not itself democratic. But military and strategic competition is different. The security situation undergirds everything else. It remains true today as it has since World War II that only the United States has the capacity and the unique geographical advantages to provide global security and relative stability. There is no stable balance of power in Europe or Asia without the United States. And while we can talk about “soft power” and “smart power,” they have been and always will be of limited value when confronting raw military power. Despite all of the loose talk of American decline, it is in the military realm where U.S. advantages remain clearest. Even in other great powers’ backyards, the United States retains the capacity, along with its powerful allies, to deter challenges to the security order. But without a U.S. willingness to maintain the balance in far-flung regions of the world, the system will buckle under the unrestrained military competition of regional powers. Part of that willingness entails defense spending commensurate with America’s continuing global role. For the United States to accept a return to spheres of influence would not calm the international waters. It would merely return the world to the condition it was in at the end of the 19th century, with competing great powers clashing over inevitably intersecting and overlapping spheres. These unsettled, disordered conditions produced the fertile ground for the two destructive world wars of the first half of the 20th century. The collapse of the British-dominated world order on the oceans, the disruption of the uneasy balance of power on the European continent as a powerful unified Germany took shape, and the rise of Japanese power in East Asia all contributed to a highly competitive international environment in which dissatisfied great powers took the opportunity to pursue their ambitions in the absence of any power or group of powers to unite in checking them. The result was an unprecedented global calamity and death on an epic scale. It has been the great accomplishment of the U.S.-led world order in the 70 years since the end of World War II that this kind of competition has been held in check and great power conflicts have been avoided. It will be more than a shame if Americans were to destroy what they created — and not because it was no longer possible to sustain but simply because they chose to stop trying.

**C2 Evidence**

**Reuters December 12th**

**https://in.reuters.com/article/us-markets-bonds-poll/us-yield-curve-to-invert-in-2019-recession-to-follow-reuters-poll-idINKBN1OC00S**

**The U.S. Treasury yield curve will invert next year, possibly within the next six months, much earlier than forecast just three months ago, with a recession to follow as soon as a year after that,** a Reuters poll showed on Thursday.

FILE PHOTO: U.S. dollar banknotes are seen through a printed stock graph in this illustration taken February 7, 2018. REUTERS/Dado Ruvic/File Photo

Those expectations come on the heels of a deep sell-off in global stocks and the flattening of the U.S. yield curve, with the gap between longer-dated and shorter-dated yields narrowing to its smallest in more than a decade.

Some maturities on the curve, notably yields on 2- to 5-year notes have already flipped. An inversion between 2- and 10-year yields is a closely watched signal as that has preceded almost all the American recessions of the past half century.

The U.S. economy, currently in its second-longest expansion on record, has been juiced late in the cycle by the Trump administration’s tax cuts, and is expected to slow sharply by the end of next year as that stimulus fades.

That is expected to leave a budget gap of over $1 trillion that will need to be funded by the issuance of more Treasuries, which currently consists mostly of shorter-term maturities. Combined with policy tightening, that would push yields on those bonds higher and speed up the inversion date.

**Michael Pento,** CNBC, 6/5/17. “This market indicator has predicted the past 7 recessions. Here's where it may be headed next”<https://www.cnbc.com/2017/06/05/inverted-yield-curve-predicting-coming-recession-commentary.html>

An aggressive selling of the Fed's balance sheet is a very unlikely scenario given the minutes of the May Federal Open Market Committee meeting. In that meeting the Fed decided to merely taper the re-investment of its balance sheet, which is the pace in that it stops reinvesting its assets. With a total debt to GDP ratio of 350 percent, this third scenario has very low odds of occurring; but should remand the economy into a recession even if such a plan is deployed. Therefore, the only rational way to avoid an inverted yield curve, market chaos and a recession is if long-term Treasury yields reverse their long-term trend lower due to a rapid increase in GDP growth. This would only occur if Trump's agenda of repatriation of foreign earnings, tax cuts and infrastructure spending is imminently adopted. But the probability of this happening very soon is getting lower by the day. An inverted yield curve will lead to market disorder as it did in 2000 and 2006. **But this next recession starts with our national debt over $20 trillion dollars and the Fed's balance sheet at $4.5 trillion. Therefore, when the yield curve inverts for the third time this century, you can expect unprecedented chaos in markets and the economy to follow shortly after. This is because the yield curve will not only invert at a much lower starting point than at any other time in history but also with the Fed and Treasury's balance sheets already severely impaired. There will be unprecedented volatility between inflation and deflation cycles in the future due to these factors.** This represents a huge opportunity for those that can identify these inflection points and know where to invest. To be more specific, sell your long positions and get short once the curve inverts; and then be prepared to hedge against inflation when the Fed responds with helicopter money.

**Long 18 washpo https://www.washingtonpost.com/news/wonk/wp/2018/04/09/why-americas-return-to-1-trillion-deficits-is-a-big-problem-for-you/?noredirect=on&utm\_term=.fb0f245ad73e**

On a basic level, this means the U.S. government is spending way more money than it brings in. This is not a new problem. The United States has been running a deficit every year since 2002, but the situation is about to get really ugly. The country has never run this high of a deficit during good economic times. If spending keeps up at this pace (and there is every indication that it will), President Trump and his successors are going to have less flexibility to pump up the economy during a downturn or even a crisis.

“This is unprecedented,” said Justin Bogie, senior policy analyst on fiscal affairs at the conservative Heritage Foundation.

It doesn’t mean the economy or stock market will crash tomorrow. **The United States is able to run such high deficits because the U.S. Treasury turns around and sells U.S. debt to investors around the world. Right now, a lot of people want to buy U.S. government bonds, even though America already has $15 trillion in debt owned by the public. But the problem is no one knows when people might say enough is enough and stop buying U.S. debt — or demand much higher rates of return.**

Even if the nightmare scenario doesn’t materialize, deficits are a drag on the economy. Investors opt to buy government debt instead of making the type of private investments that create jobs or raise wages, economists warn.

Brian Chappatta, Bloomberg, 12-3-2018, ["The U.S. Yield Curve Just Inverted. That’s Huge.," https://www.bloomberg.com/opinion/articles/2018-12-03/u-s-yield-curve-just-inverted-that-s-huge?fbclid=IwAR2E5ffZPnCQCLAeemduCqPgSe6KDWPIb8FxaaAXhX5sIxVkwCkMCqjfZ5M, DOA: 12-12-2018] // ZWS

**It’s important to keep in mind the timeline between inversion and economic slowdowns — it’s not instantaneous. The  yield curve from three to five years dipped below zero during the last cycle for the first time in August 2005, some 28 months before the recession began**. That this is the first portion to flip isn’t too surprising, considering how much scrutiny bond traders place on the Federal Reserve’s outlook for rate increases. All it means is that the central bank will probably leave interest rates steady, or even cut a bit, in 2022 or 2023. I’d argue that’s not just possible, but probable, given that we’re already in one of the longest economic expansions in U.S. history.

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Daniel J. Arbess 18, CEO of Xerion Investments, a co-founder of No Labels, and a lifetime member of the Council on Foreign Relations., 2-28-2018, "Commentary: The Economy Looks Good Today, But the Next Debt Crisis Is on the Horizon," Fortune, http://fortune.com/2018/02/28/debt-crisis-jerome-powell-federal-reserve-testimony/

Not so fast. The recent return of volatility to markets should remind us we won’t be able to call the next economic crisis a “black swan” when it hits down the road, because the elements are already in plain sight: a dangerous cocktail of rising consumer, corporate, and sovereign debt scheduled for refinancing; rising interest rates; and increasing global competition for investors’ attention. We can’t ignore the enduring problem of unemployment and underemployment. While the Bureau of Labor Statistics lists the unemployment rate at 4.1%—a 17-year low—the seasonally adjusted U6 unemployment rate, which takes into account eligible workers who can’t find full-time jobs and those who have given up trying altogether, stands at 8.2%. The fact is that automation and other technological innovations are accelerating job displacement, reducing costs, and increasing corporate margins and profits. This benefits investors with the liquidity available to participate in financial markets, but certainly not average families living from paycheck to paycheck, or without a paycheck at all. While Fed policies helped household balance sheets to deleverage after the 2008 financial crisis, they did so by effectively transferring household debt to corporate and sovereign balance sheets, paving the way for higher interest rates. Outstanding non-mortgage consumer credit has risen by 45% since its previous peak in 2008, now approaching $4 trillion. Global nonfinancial corporate debt increased to 96% of global GDP between 2011 and 2017, with some 37% of global companies now deemed to be “highly leveraged,” (meaning they have a debt-to-earnings ratio above five-to-one) up from 32% in 2007, according to Standard & Poor’s. And the level of margin debt used to buy securities has doubled since 2011, to a new all-time high of $643 billion. Nearly one in five American companies now qualify as “zombies,” meaning that earnings before interest and taxes don’t cover interest expenses.

Committee for a Responsible Federal Budget, 6-26-2018, "CBO's 2018 Long-Term Budget Outlook", Committee for a Responsible Federal Budget, http://www.crfb.org/papers/cbos-2018-long-term-budget-outlook?gclid=Cj0KCQiA6JjgBRDbARIsANfu58EDdHvU0UN7Ar-Nxa\_7cg1bISsCYAKVAkAMXlX3RLDPgDPAV8wqGa0aAtVoEALw\_wcB

Finally, growing levels of debt increase the risk of fiscal crisis. As CBO warns, “dramatic increases in Treasury rates would reduce the market value of outstanding government securities, and the resulting losses—for mutual funds, pension funds, insurance companies, banks, and other holders of government debt—could be large enough to cause some financial institutions to fail.” Such a crisis would cause substantial damage to the U.S. and global economy and leave policymakers with “limited—and unappealing—options.” While growing debt would damage the economy, declining debt can improve it. In previous reports, CBO showed that a $4 trillion deficit reduction package would boost average incomes by $5,000 per person and lower interest rates by three-quarters of a percentage point over the long term.

**Neville Francis,** UNC, 2015. “Does the United States Lead Foreign Business Cycles?”<https://files.stlouisfed.org/files/htdocs/publications/review/2015/q2/FrancisOwyangSoques.pdf>

The U.S. economy is the largest in the world. In 2012, the United States accounted for 22.4 percent of the world’s gross domestic product (GDP) and 35.1 percent of the world’s total market capitalization (World Bank, 2012). The Great Recession of 2007-09 highlighted the importance of the United States to the global economy. **A financial shock originating for the most part in the United States led to a worldwide downturn that had detrimental and lasting effects on both developed and emerging economies.** This dynamic is summarized by this modern version of a well-known quotation: **“When the U.S. sneezes, the rest of the world catches a cold.”** Given the role of the United States as a global economic leader, several recent studies investigate the spillover effects of the U.S. economy onto the economies of other nations. Arora and Vamvakidis (2004) use a fixed-effects panel regression and find that U.S. economic growth has positive effects on the rest of the world, especially developing countries. Helbling et al. (2007) use multiple methodologies to determine the effect of the U.S. economy on other countries. **They conduct an event study and find that U.S. recessionary periods coincide with global downturns. They also use simple regressions and find that, controlling for potential common unobserved shocks and country-specific effects, a 1-percentage-point decline in U.S. growth leads to an average 0.16-percentage-point decline in output growth across their sample of countries.** Canada, Latin American, and Caribbean countries are the most strongly influenced within their sample. Lastly, they use the more dynamic approach of structural vector autoregressions to allow for both foreign and domestic effects. They find that U.S. growth has significant effects on growth in Latin America, the Asian newly industrialized economies (Hong Kong, Korea, Singapore

**World Bank http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:21972885~pagePK:64257043~piPK:437376~theSitePK:4607,00.html**

**Coming on the heels of the food and fuel price shock, the global financial crisis could significantly set back the fight against poverty.**  Sharply tighter credit conditions and weaker growth are likely to cut into government revenues and governments’ ability to invest to meet education, health and gender goals. The poor will be hit hardest. **Current estimates suggest that a one percent decline in developing country growth rates traps an additional 20 million people into poverty.** Already 100 million people have been driven into poverty as a result of high food and fuel prices.

**In an increasingly globalized world, where seemingly distant crises can spread quickly across the globe, the response must be global, coordinated, flexible and fast.** Policy challenges need to be addressed at the country level, but it is more critical than ever that the international community acts in a coordinated and supportive fashion to make each country’s task easier.

**Elkhorn 10 https://www.nytimes.com/2010/09/17/us/17poverty.html**

**The percentage of Americans struggling below the poverty line in 2009 was the highest it has been in 15 years,** the Census Bureau[reported](http://www.census.gov/prod/2010pubs/p60-238.pdf) Thursday, and interviews with poverty experts and aid groups said the increase appeared to be continuing this year.

With the country in its worst economic crisis since the Great Depression, four million additional Americans found themselves in poverty in 2009, with the total reaching 44 million, or one in seven residents. Millions more were surviving only because of expanded unemployment insurance and other assistance.

**Economist 18 https://www.economist.com/special-report/2018/01/25/the-odds-on-a-conflict-between-the-great-powers**

**DESPITE THE EXTRAORDINARY decline in interstate wars over the past 70 years, many foreign-policy experts believe that the world is entering a new era in which they are becoming all too possible again.** But there is a big difference between regional wars that might be triggered by the actions of a rogue state, such as North Korea or Iran, and those between great powers, which remain much less likely. Still, increased competition between America, Russia and China poses threats to the international order and does have a military dimension.

This special report will concentrate on what could lead to a future conflict between big powers rather than consider the threat of a war on the Korean peninsula, which is firmly in the present. A war to stop Iran acquiring nuclear weapons seems a more speculative prospect for now, but could become more likely a few years hence. Either would be terrible, but its destructive capacity would pale in comparison with full-blown conflict between the West and Russia or China, even if that did not escalate to a nuclear exchange.

Economic decline causes global war

Royal 10

(Jedediah, Director of Cooperative Threat Reduction – U.S. Department

of Defense, “Economic Integration, Economic Signaling and the Problem of

Economic Crises”, Economics of War and Peace: Economic, Legal and Political

Perspectives, Ed. Goldsmith and Brauer, p. 213-215)

Less intuitive is how **periods of economic decline may increase the likelihood of external conflictP**olitical science literature has contributed a moderate degree of attention to the impact of economic decline and the security and defence behaviour of interdependent states. Research in

this vein has been considered at systemic, dyadic and national levels. Several notable contributions

follow. First, on the systemic level, Pollins (2008) advances Modelski and Thompson's (1996) work on

leadership cycle theory, finding that

rhythms

in the global economy

are associated with the

rise and

fall of a

pre-eminent

power and

the

often

bloody transition

from

one pre-

eminent leader to the next

**. As such, exogenous shocks such as economic crises could usher in a redistribution of relative power (see also Gilpin. 1981) that leads to uncertainty about power**

**balances, increasing the risk of miscalculation(Feaver, 1995**). Alternatively,

even a relatively certain redistributionof power

could lead to a

permissive environment

for conflict

as a rising power may seek to challenge a declining power (Werner. 1999). Separately,

Pollins (1996) also shows that global economic cycles combined with parallel leadership cycles impact the

likelihood of conflict among major, medium and small powers, although he suggests that the causes and

connections between global economic conditions and security conditions remain unknown. Second, on a

dyadic level, Copeland's (1996, 2000) theory of trade expectations suggests that '

future

expectation

of trade' is a

significant variable

in

understanding economic conditions and

security behaviour

of states

. He argues that interdependent states are likely to gain pacific

benefits from trade so long as they have an optimistic view of future trade relations. However,

if

the

1. Beatrice **Dupuy**, 1-8-**2018**, "The rich are about to get richer as inequality will soon get worse, experts said," **Newsweek**, <https://www.newsweek.com/inequality-could-soon-get-much-worse-774034>

   **Economic inequality could soon get much worse than economists originally thought**, according to new research on the return rate of everything. Federal Reserve Bank of San Francisco economist Òscar Jordà, along with four other authors, looked at 16 countries in a first-ever data set to offer a complete analysis on the rate of return on wealth and the growth rate of the economy from 1870 to 2015. They found that the "weighted rate of return on capital was twice as high as the growth rate in the past 150 years." The data set offers insight into rates of return on wealth for the major categories including bonds and stocks. Housing was included for the first time ever. In the study, researchers examined the argument started by French economist Thomas Piketty in his 2014 book Capital in the Twenty-First Century, in which he signaled that a concentration of wealth is likely if the rich get richer at a rate greater than economic growth. The researchers found that Piketty's stipulations maybe “even more correct than he realized,” according to The Washington Post. View image on Twitter View image on Twitter Nils Gilman @nils\_gilman Even though the rate of return on everything has fallen, it’s still higher than the rate of increase in wages. Ergo: rising inequality. http://nber.org/papers/w24112 4 9:30 AM - Jan 8, 2018 See Nils Gilman's other Tweets Twitter Ads info and privacy By calculating housing wealth, researchers were able to prove that the return rates on real estate have been as high or “higher than the return on equity,” according to Bloomberg, suggesting that that the rich who own real estate are largely benefitting. The World Inequality Lab run under Piketty released its 2018 World Inequality Report in December, which uncovered that the world’s top 1 percent will own 24 percent of the world’s wealth in 2050, up by 4 percent. The share of the world’s bottom 50 percent would then drop to below 9 percent. The report found that income inequality varies around the world but since 1980, North America, China, India and Russia have seen a considerable increase in inequality. “The income-inequality trajectory observed in the United States is largely due to massive educational inequalities, combined with a tax system that grew less progressive,” the report found. One way to start tackling inequality is by focusing on land ownership. In a separate paper, economist Matt Rognlie discovered that land ownership has created the majority of the wealth inequality. RELATED STORIES The Median Net Worth of African-Americans in Boston: $8 “The long-term increase in capital’s net share of income in large developed countries has consisted entirely of housing,” Rognlie found. Some have argued that the **Republican tax bill signed by President Donald Trump will only make income inequality worse. "The bill is investing heavily in the wealthy and their children — by boosting the value of their stock portfolios, creating new loopholes for them to avoid tax on their labor income, and cutting taxes on massive inheritances,” Lily Batchelder, a New York University professor**, told Vox. "At the same time, it leaves low- and middle-income workers with even fewer resources to invest in their children, and increases the number of Americans without health insurance.” [↑](#endnote-ref-1)
2. No Author, 12-21-**2018**, "Yield Curve and Predicted GDP Growth, December 2018”, **The Federal Reserve Bank of Cleveland,** https://www.clevelandfed.org/our-research/indicators-and-data/yield-curve-and-gdp-growth.aspx

   The slope of the yield curve—the difference between the yields on short- and long-term maturity bonds—has achieved some notoriety as a simple forecaster of economic growth. **The rule of thumb is that an inverted yield curve (short rates above long rates) indicates a recession in about a year, and yield curve inversions have preceded each of the last seven recessions (as defined by the NBER)**. Preceding the Great Recession, the yield curve inverted in August 2006, a bit more than a year before the recession took hold in December 2007. There have been two notable false positives: an inversion in late 1966 and a very flat curve in late 1998. More generally, a flat curve indicates weak growth and, conversely, a steep curve indicates strong growth. One measure of slope, the spread between ten-year Treasury bonds and three-month Treasury bills, bears out this relation, particularly when real GDP growth is lagged a year to line up growth with the spread that predicts it. [↑](#endnote-ref-2)
3. **Reuters December 12th**

   **https://in.reuters.com/article/us-markets-bonds-poll/us-yield-curve-to-invert-in-2019-recession-to-follow-reuters-poll-idINKBN1OC00S**

   **The U.S. Treasury yield curve will invert next year, possibly within the next six months, much earlier than forecast just three months ago, with a recession to follow as soon as a year after that,** a Reuters poll showed on Thursday. U.S. dollar banknotes are seen through a printed stock graph in this illustration taken February 7, 2018. Those expectations come on the heels of a deep sell-off in global stocks and the flattening of the U.S. yield curve, with the gap between longer-dated and shorter-dated yields narrowing to its smallest in more than a decade. Some maturities on the curve, notably yields on 2- to 5-year notes have already flipped. An inversion between 2- and 10-year yields is a closely watched signal as that has preceded almost all the American recessions of the past half century. The U.S. economy, currently in its second-longest expansion on record, has been juiced late in the cycle by the Trump administration’s tax cuts, and is expected to slow sharply by the end of next year as that stimulus fades. That is expected to leave a budget gap of over $1 trillion that will need to be funded by the issuance of more Treasuries, which currently consists mostly of shorter-term maturities. Combined with policy tightening, that would push yields on those bonds higher and speed up the inversion date. [↑](#endnote-ref-3)
4. <https://www.cnbc.com/2017/06/05/inverted-yield-curve-predicting-coming-recession-commentary.html>

   An aggressive selling of the Fed's balance sheet is a very unlikely scenario given the minutes of the May Federal Open Market Committee meeting. In that meeting the Fed decided to merely taper the re-investment of its balance sheet, which is the pace in that it stops reinvesting its assets. With a total debt to GDP ratio of 350 percent, this third scenario has very low odds of occurring; but should remand the economy into a recession even if such a plan is deployed. Therefore, the only rational way to avoid an inverted yield curve, market chaos and a recession is if long-term Treasury yields reverse their long-term trend lower due to a rapid increase in GDP growth. This would only occur if Trump's agenda of repatriation of foreign earnings, tax cuts and infrastructure spending is imminently adopted. But the probability of this happening very soon is getting lower by the day. An inverted yield curve will lead to market disorder as it did in 2000 and 2006. **But this next recession starts with our national debt over $20 trillion dollars and the Fed's balance sheet at $4.5 trillion. Therefore, when the yield curve inverts for the third time this century, you can expect unprecedented chaos in markets and the economy to follow shortly after. This is because the yield curve will not only invert at a much lower starting point than at any other time in history but also with the Fed and Treasury's balance sheets already severely impaired. There will be unprecedented volatility between inflation and deflation cycles in the future due to these factors.** This represents a huge opportunity for those that can identify these inflection points and know where to invest. To be more specific, sell your long positions and get short once the curve inverts; and then be prepared to hedge against inflation when the Fed responds with helicopter money. [↑](#endnote-ref-4)
5. Will **Kenton**, 12-13-**2018**, "Boom And Bust Cycle," **Investopedia**, <https://www.investopedia.com/terms/b/boom-and-bust-cycle.asp>

   **A boom and bust cycle is a process of economic expansion and contraction that occurs repeatedly.** The boom and bust cycle is a key characteristic of today’s capitalist economies. **During the boom the economy grows, jobs are plentiful and the market brings high returns to investors. In the subsequent bust the economy shrinks, people lose their jobs and investors lose money.** Boom-bust cycles last for varying lengths of time; they also vary in severity. Boom And Bust Cycle BREAKING DOWN Boom And Bust Cycle Since the mid-1940s, the United States has experienced 12 boom and bust cycles. Why do we have a boom and bust cycle instead of a long, steady economic growth period? The answer can be found in the way central banks handle the money supply. During a boom, a central bank makes it easier to obtain credit by lending money at low interest rates. Individuals and businesses can then borrow money easily and cheaply and invest it in, say, technology stocks or houses. Many people earn high returns on their investments, and the economy grows. The problem is that when credit is too easy to obtain and interest rates are too low, people will overinvest. This excess investment is called “malinvestment.” There won’t be enough demand for, say, all the homes that have been built, and the bust cycle will set in. Things that have been overinvested in will decline in value. Investors lose money, consumers cut spending and companies cut jobs. Credit becomes more difficult to obtain as boom-time borrowers become unable to make their loan payments. [↑](#endnote-ref-5)
6. Jane Wollman **Rusoff**, 11-30-**2017**, "Biggest Crash Ever Is (Probably) Coming by 2020: Harry Dent," **ThinkAdvisor**, <https://www.thinkadvisor.com/2017/11/30/biggest-crash-ever-is-probably-coming-by-2020-harr/?slreturn=20190009143303>

   **Brace yourself for the most devastating market crash ever in “the greatest political and economic revolution since the advent of democracy.”** That’s the dire alert from colorful, controversial prognosticator Harry S. Dent Jr., in an interview with ThinkAdvisor. **Dent, who chiefly uses demographic cycles to forecast the economy and markets, correctly predicted Japan’s 1989 economic collapse, the 2000 dot-com bust and the populist wave enabling Brexit and Donald Trump’s election.** Last June, **Dent told ThinkAdvisor that an economic and stock market calamity would strike within three years.** He is now indeed predicting the crash to occur between late 2017 and early 2020. But with only five weeks to go this year, if stocks don’t start tumbling soon, he’ll be rethinking that forecast, the usually adamant Dent says, with concern. His new book, “Zero Hour: Turn the Greatest Political and Financial Upheaval in Modern History to Your Advantage,” written with Andrew Pancholi (Portfolio), raises a loud alarm about the 2020s, which, based mainly on four demographic and geopolitical cycles, will bring a ghastly global crisis, or what Dent terms the dark “Economic Winter,” he predicts. Over three decades, Dent’s prophecies have been a mixed bag of hits and misses. Cautioning about a bubble that, he says, has been building for years, Dent, 65, now touts three “safe havens” in which to invest. In the interview, he also discusses market sectors he expects to outperform in the terrible ’20s. The Harvard MBA and founder of Dent Research publishes newsletters and investing strategy systems and has written a number of books that have either hyped a big boom ahead or warned of disaster on the brink. These works have included “The Sale of a Lifetime” (2017) and “The Demographic Cliff” (2015). With Bain & Co. at the start of his career, Dent consulted to a range of Fortune 100 companies as well as startups. ThinkAdvisor recently interviewed the so-called “Contrarian’s Contrarian,” who talked about, among other issues, the tax cut, why he expects investors to be fuming at their FAs and why the sunspot cycle (you read that correctly) is a valid predictor of market crashes. Here are excerpts from our conversation: THINKADVISOR: In your new book, you say that a devastating crash will occur between late 2017 and early 2020. There are only five weeks left to 2017. Are you sticking with that time frame? HARRY DENT JR.: We may be starting a topping process. I’m seeing signs of that, but it hasn’t yet been proven. We ought to see the market start to go down by early next year. If it doesn’t, I’m going back to the drawing board. If the market doesn’t start crashing by late January or early February, then we aren’t topping here. But we’re saying there’s going to be a crash. It’s just a matter of when [exactly]. Is that prediction despite, or because of, the bull market’s longevity? So far, the market has gone up in bad news, threat of war; Trump’s saying the stupidest things known to humankind and [is under threat of] getting damn near impeached. The market still goes up because money has nowhere else to go. So stocks are the only game in town. They’re going to go till they blow, and it looks like they’re getting close to blowing. At this point, what are you certain of? The one thing I do know is that the market will make a major change in direction. It’s going to try to hide it as much as possible because it wants to screw everybody. The big traders — the sharks — make money, but all the minnows get eaten. That’s what the market wants. It wants people to be trapped in the bubble. Bubbles are very tricky to play. Now is a good time to get out. The upside is limited. Why will a crash occur? Simply because [the U.S. government] has kept putting off this crisis. And, of course, the more you allow bubbles to build up, the more excesses you have. Please elaborate. Instead of dealing with the global financial crisis of 2008, the government just printed a bunch of money and tried to blow their way out of it. Central banks should be able to create money in line with the growth of the economy, period. Central banks only make bubbles worse, which means crises and depressions and the deleveraging that follows. Just how bad will the next crisis be? With the last one, we didn’t have a Great Depression, which is what our models are calling for. So we’re just going to get hit harder this time. Stocks won’t go down 50%; they’ll be down 70%-80%. Unemployment won’t be at 9% or 10%; it will be 15%. How much are you considering the rally that began with Trump’s election? This has been the biggest fake rally in history! Companies are buying back their own stupid-ass stock even if earnings aren’t growing. That’s ridiculous. Governments are buying their own bonds so they can keep stimulating. Trump says that everything is great, and we’re going to get a tax cut. Bull—-! But the economy is buzzing along, isn’t it? Every economy that ever peaked looked perfect at the top. The U.S. looked great in late 1929 before the Great Depression and the greatest crash in history. You have to look at the things that will projectably change: Demographics are projectable. What are the demographics indicating to you now? I’m mostly looking at the downward convergence of the four fundamental cycles: the generational spending wave, the geopolitical cycle, the 45-year innovation cycle and the boom/bust cycle. These directly affect spending, productivity, stock valuations and other aspects of the economy. They’re things that I can project and track. So what do you see? We don’t have demographic growth, even with stimulus and giving everybody a free lunch. And then there are the struggles in Europe: Italy is getting ready to blow. China is going to blow; and when China blows, there’ll be nothing that Europe, the U.S. and the central banks can do to offset it. But what about Trump’s proposed tax cut? It’s not going to create 4% [GDP] growth. Business might feel good for a couple of quarters, but there isn’t anything to build on. You can give companies a trillion dollars, but what are they going to do with it? Just buy back stock and pay dividends to their shareholders. They don’t need to expand. We’ve got excess supply here and around the world. We don’t need businesses to invest in a lot of new capacity. We already did that in the boom. But what about generating more jobs? There’s no work force to hire. Growth is basically zero. It will be twice as negative in years to come. We’re at full employment. We’re not going to get 4% growth because we cut taxes! This will not happen. Productivity has dropped to half a percent. And it’s going to keep dropping because baby boomers ain’t gettin’ any younger. Well, do you think that the tax cut will benefit the middle class? They’ll get some token cuts, but middle-class people don’t pay much in taxes. Income tax is already very low for the middle class and below. The primary tax they pay is on Social Security, and they’re not cutting that tax. You disagree with experts who say that black swan events occur. Why do you think there’s no such thing? The giant 1929 crash didn’t come out of nowhere. We’re saying there’s going to be a crash. When economists will say, “Well, nobody could have seen that coming,” I’m going to punch them all in the nose because they’re idiots. This is something you can totally see coming. Why will economists say no one could have predicted it? People are in denial because they’re getting a free lunch: the government, companies, individuals with lower-cost loans. They don’t want all that to end. They also know that when a bubble bursts, it’s going to be very bad — so they don’t want to hear somebody like me say that this is a bubble. But it’s so obvious that it’s unbelievable. [↑](#endnote-ref-6)
7. Nelson **Schwartz**, 9-25-**2018**, "As Debt Rises, the Government Will Soon Spend More on Interest Than on the Military," **New York Times**, <https://www.nytimes.com/2018/09/25/business/economy/us-government-debt-interest.html>

   **The federal government could soon pay more in interest on its debt than it spends on the military, Medicaid or children’s programs.** The run-up in **borrowing costs is a one-two punch brought on by the need to finance a fast-growing budget deficit, worsened by tax cuts and steadily rising interest rates that will make the debt more expensive.** **With less money coming in and more going toward interest, political leaders will find it harder to address pressing needs like fixing crumbling roads and bridges or to make emergency moves like pulling the economy out of future recessions.** Within a decade, more than $900 billion in interest payments will be due annually, easily outpacing spending on myriad other programs. Already the fastest-growing major government expense, the cost of interest is on track to hit $390 billion next year, nearly 50 percent more than in 2017, according to the Congressional Budget Office. “It’s very much something to worry about,” said C. Eugene Steuerle, a fellow at the Urban Institute and a co-founder of the Urban-Brookings Tax Policy Center in Washington. “Everything else is getting squeezed.” Gradually rising interest rates would have made borrowing more expensive even without additional debt. But the tax cuts passed late last year have created a deeper hole, with the deficit increasing faster than expected. A budget bill approved in February that raised spending by $300 billion over two years will add to the financial pressure. You have 3 free articles remaining. Subscribe to The Times The deficit is expected to total nearly $1 trillion next year — the first time it has been that big since 2012, when the economy was still struggling to recover from the financial crisis and interest rates were near zero. Subscribe to With Interest Catch up and prep for the week ahead with this newsletter of the most important business insights, delivered Sundays. SIGN UP Annual interest payments on the national debt are expected to triple over the next decade, according to the Congressional Budget Office. $915 billion Interest payments on the national debt $900 billion 600 300 $263 billion 0 ’17 ’18 ’19 ’20 ’21 ’22 ’23 ’24 ’25 ’26 ’27 ’28 By The New York Times | Source: Congressional Budget Office Deficit hawks have gone silent, even proposing changes that would exacerbate the deficit. House Republicans introduced legislation this month that would make the tax cuts permanent. “The issue has just disappeared,” said Senator Mark Warner, a Virginia Democrat. “There’s collective amnesia.” The combination, say economists, marks a journey into mostly uncharted financial territory. In the past, government borrowing expanded during recessions and waned in recoveries. That countercyclical policy has been a part of the standard Keynesian toolbox to combat downturns since the Great Depression. The deficit is soaring now as the economy booms, meaning the stimulus is pro-cyclical. The risk is that the government would have less room to maneuver if the economy slows. [↑](#endnote-ref-7)
8. **Harris and Burrows 9**

   (Mathew, PhD European History at Cambridge, counselor in the National Intelligence Council (NIC) and Jennifer, member of the NIC’s Long Range Analysis Unit “Revisiting the Future: Geopolitical Effects of the Financial Crisis” <http://www.ciaonet.org/journals/twq/v32i2/f_0016178_13952.pdf>)

   Increased Potential for Global Conflict Of course, the report encompasses more than economics and indeed believes the future is likely to be the result of a number of intersecting and interlocking forces. With so many possible permutations of outcomes, each with ample Revisiting the Future opportunity for unintended consequences, there is a growing sense of insecurity. Even so, history may be more instructive than ever. While we continue to believe that the Great Depression is not likely to be repeated, the lessons to be drawn from that period include the harmful effects on fledgling democracies and multiethnic societies (think Central Europe in 1920s and 1930s) and on the sustainability of multilateral institutions (think League of Nations in the same period). There is no reason to think that this would not be true in the twenty-first as much as in the twentieth century. For that reason, the ways in which the potential for greater conflict could grow would seem to be even more apt in a constantly volatile economic environment as they would be if change would be steadier. In surveying those risks, the report stressed the likelihood that terrorism and nonproliferation will remain priorities even as resource issues move up on the international agenda. Terrorism’s appeal will decline if economic growth continues in the Middle East and youth unemployment is reduced. For those terrorist groups that remain active in 2025, however, the diffusion of technologies and scientific knowledge will place some of the world’s most dangerous capabilities within their reach. Terrorist groups in 2025 will likely be a combination of descendants of long established groups\_inheriting organizational structures, command and control processes, and training procedures necessary to conduct sophisticated attacks\_and newly emergent collections of the angry and disenfranchised that become self-radicalized, particularly in the absence of economic outlets that would become narrower in an economic downturn. The most dangerous casualty of any economically-induced drawdown of U.S. military presence would almost certainly be the Middle East. Although Iran’s acquisition of nuclear weapons is not inevitable, worries about a nuclear-armed Iran could lead states in the region to develop new security arrangements with external powers, acquire additional weapons, and consider pursuing their own nuclear ambitions. It is not clear that the type of stable deterrent relationship that existed between the great powers for most of the Cold War would emerge naturally in the Middle East with a nuclear Iran. Episodes of low intensity conflict and terrorism taking place \under a nuclear umbrella could lead to an unintended escalation and broader conflict if clear red lines between those states involved are not well established. The close proximity of potential nuclear rivals combined with underdeveloped surveillance capabilities and mobile dual-capable Iranian missile systems also will produce inherent difficulties in achieving reliable indications and warning of an impending nuclear attack. The lack of strategic depth in neighboring states like Israel, short warning and missile flight times, and uncertainty of Iranian intentions may place more focus on preemption rather than defense, potentially leading to escalating crises. 36 Types of conflict that the world continues to experience, such as over resources, could reemerge, particularly if protectionism grows and there is a resort to neo-mercantilist practices. Perceptions of renewed energy scarcity will drive countries to take actions to assure their future access to energy supplies. In the worst case, this could result in interstate conflicts if government leaders deem assured access to energy resources, for example, to be essential for maintaining domestic stability and the survival of their regime. Even actions short of war, however, will have important geopolitical implications. Maritime security concerns are providing a rationale for naval buildups and modernization efforts, such as China’s and India’s development of blue water naval capabilities. If the fiscal stimulus focus for these countries indeed turns inward, one of the most obvious funding targets may be military. Buildup of regional naval capabilities could lead to increased tensions, rivalries, and counterbalancing moves, but it also will create opportunities for multinational cooperation in protecting critical sea lanes. With water also becoming scarcer in Asia and the Middle East, cooperation to manage changing water resources is likely to be increasingly difficult both within and between states in a more dog-eat-dog world. [↑](#endnote-ref-8)
9. <https://www.washingtonpost.com/news/worldviews/wp/2018/01/18/every-2017-terrorist-attack-mapped/?noredirect=on&utm_term=.1c9d39184989>

   (2018)

   **The number of people dying in terrorist attacks is dropping, according to a report released this week.** The study, done annually by Jane's Terrorism and Insurgency Center, uses open-source information to track every instance of politically and ideologically motivated violence by nonstate armed groups and individuals. Its latest report shows that the number of terrorist attacks dropped slightly in 2017, to 22,487**. There was a bigger and more significant decline in fatalities.** **The number of civilians killed by terrorists fell to 18,475 last year, a 33 percent drop from 2016.** **If you look at the average number of terrorism-related civilian deaths over the past five years, it's even more significant: In 2017, there was a 45 percent drop.** Jane's experts say that's mostly because the world has gotten safer. “These trends were largely driven by downturns in violent militant activity in countries experiencing high levels of violence, alongside significant decreases in fatalities — such as a 44 percent decrease in fatalities in Syria and a 60 percent decline in Iraq,” Center head Matthew Henman said in a statement. “Indeed, of the top 10 most violent countries in 2017, attacks decreased in six countries, and fatalities decreased in eight.” Even so, some parts of the world remain plagued by violence. Attacks in Syria, for example, account for more than a third of all violent assaults, according to the Jane's count. The Islamic State also continues to wield deadly influence. It's been the most active militant group in the world for four years running, according to Jane's. Last year it was responsible for the deaths of 6,500 people in 4,500 attacks. Still, Jane's experts say the group caused fewer fatalities last year than it has in the past. They attribute that to its huge loss of territory in Iraq and Syria. “As it came under growing territorial pressure, the Islamic State transitioned back to insurgent operations, conducting a higher tempo of low intensity violence against security forces and non-state adversaries in areas newly recaptured from the group,” Henman said. The group did not conduct any centrally planned attacks in the West this year. However, the perpetrators of several violent actions -- including a June bombing at a concert in Manchester and a truck attack in Barcelona -- identified themselves as supporters of the group. This year is expected to bring more such attacks, planned by "lone wolves" and utilizing easy-to-access weapons such as knives, guns and cars. [↑](#endnote-ref-9)
10. (CITED ALREADY)

    The study, done annually by Jane's Terrorism and Insurgency Center, uses open-source information to track every instance of politically and ideologically motivated violence by nonstate armed groups and individuals. **Its latest report shows that the number of terrorist attacks dropped slightly in 2017, to 22,487**. [↑](#endnote-ref-10)