**Healthcare spending forces massive social service cuts. This is empirically proven, and this turns the AC.**

**Shoup 7-20**

Bob **Shoup**. Preparing for the coming economic tsunami. Canada Free Press July 20, 20**09)**

When the Debtors say No More

Any family that has abused credit cards can tell you that the first thing credit card companies do is raise your interest rates. The second thing that they do is cut off your credit. Given the size of the National debt, we are very close to having the holders of that credit say “No More!” It recently happened in California where voters rejected a number of tax initiatives. It is very likely to happen to the U.S. as a whole.

When it does, the government will be forced to undertake a number of measures, all of which will be painful and detrimental to economic stability. The first response will be to increase taxes. This may temporarily help offset the debt but history shows us that the long-term result will be a net loss of revenues. So the next step will be to cut services. This is what California is doing now.

Increased taxes and decreased services will not be sufficient to manage the budget without increasing the debt. So the government will have to either print money or restructure the debt. The first of these moves will cause the rate of inflation to increase and the value of the currency to decreases. The second of these moves will almost certainly result in the U.S. Dollar being replaced as the standard world currency as it would strongly impact China who is already seeking to replace the dollar with the Yuan. Of course, the first debt likely to see restructuring is the $2.2 Trillion of Social Security. That restructuring means that individuals counting on Social Security can expect to receive pennies on the dollar, and many will see nothing.

Universal Healthcare is financially impossible.

Poole 09

Poole, William. "State-Of-The-Art Health Care For Everyone?" The Cato Institute. July 28, 2009. 7 Aug 2012

A basic fact is being ignored amid all the spilt ink in the healthcare debate: A nation cannot afford state-of-the-art health care for everyone. The current effort to expand health care insurance is designed to make the same health care available to both those with extensive insurance and to those currently uninsured. This effort ignores the fact that resources to make such care available to everyone do not exist. For every major category of goods, higher income families spend more than lower-income families. Health care is not an exception. Consider the BLS Consumer Expenditure Survey for 2007, the latest year available; for all respondents together, the survey reports average annual income after taxes per consumer unit of $60,858 and average annual health care expenditures of $2,853. For the highest income group tabulated, consumer units had average income after taxes of $230,849 and health care expenses of $4,836. The highest income group, therefore, had health care expenses 70% higher than for all groups. Of course, total national expenditures are much higher, with many costs borne by government, companies and private charities. Providing today's state-of-the-art health care for everyone is simply impossible. Let's assume that the highest income group can afford state-of-the-art health care, which we would like to make available to everyone. Based on these data, that would increase national health care outlays by 70%. To achieve this outcome, the nation would need many more physicians, nurses, medical technicians, hospitals, medical schools, MRI machines, drugs and so forth. It would be easier for the space program to send astronauts to Mars than to increase the scale of the medical establishment by 70%. Providing today's state-of-the-art health care for everyone is simply impossible. Moreover, relentless and highly desirable technical improvements keep pushing the health care frontier outward. An ambitious goal, like sending astronauts to the moon, may be desirable, depending on a calculation of benefits and costs. An impossible goal, like state-of-the-art health care for everyone, is foolish. Advocates of reform will object that they are not proposing state-of-the-art health care for everyone. But in practice, that is exactly what they are doing. A government-operated plan will have no satisfactory way of saying "no" to certain expensive treatments, especially when such treatments are known to be effective. We need to face the moral dilemma of saying no. There are only two ways to say no. One is through bureaucratic processes that approve some insurance claims and deny others. The second is for society to put the decision in the hands of families and their physicians. Their decisions will necessarily be based in part on what families can afford. Higher income families can afford insurance policies that cover a wider range of ailments and treatments. From their own resources, they can pay expenses not covered by insurance. In some cases, families and their physicians may choose not to incur certain expenses the family could otherwise afford, choosing instead to leave larger bequests to children and grandchildren. It is surely true that there are ways to improve the efficiency of existing health care resources. However, it is a pipe dream to believe that the nation can get 70% more health care from existing resources. Many will accept economists' hard logic when it comes to expenditure categories other than health care — foreign travel, size of house, number of cars and so forth. In these examples, higher income families can spend more. It's troubling when this logic is applied to health care, but there is no escape from the principles of economics. An economy has finite resources; health care resources are not sufficient and never will be to permit state-of-the-art health care for everyone. Scarcity of finite resources is taught in economics 101. Strangely, this scarcity of resources is ignored in the debate over health care reform. If health care reform is not based on accepting the fact of scarcity, we will increase the level of tragedy in the years ahead. Government will make promises it cannot keep. In the process of trying to keep impossible promises, we will add bureaucratic costs. We will use bureaucratic denials and queues to ration care. We will extend the use of price controls in a futile effort to stretch government resources, with the result that we will reduce supply and suppress innovation.

**New commitment to fiscal discipline is key to check economic collapse**

Ben **Benanke,** Chairman of the Federal Reserve, 7/21/2009 (http://money.cnn.com/news/newsfeeds/articles/djf500/200907211037DOWJONESDJONLINE000426\_FORTUNE5.html)

Our economy and financial markets have faced extraordinary near-term challenges, and strong and timely actions to respond to those challenges have been necessary and appropriate. I have discussed some of the measures taken by the Federal Reserve to promote economic growth and financial stability. The Congress also has taken substantial actions, including the passage of a fiscal stimulus package. Nevertheless, even as important steps have been taken to address the recession and the intense threats to financial stability, maintaining the confidence of the public and financial markets requires that policymakers begin planning now for the restoration of fiscal balance. Prompt attention to questions of fiscal sustainability is particularly critical because of the coming budgetary and economic challenges associated with the retirement of the baby-boom generation and continued increases in the costs of Medicare and Medicaid. Addressing the country's fiscal problems will require difficult choices, but postponing those choices will only make them more difficult. Moreover, agreeing on a sustainable long-run fiscal path now could yield considerable near-term economic benefits in the form of lower long-term interest rates and increased consumer and business confidence. **Unless we demonstrate a strong commitment to fiscal sustainability, we risk having neither financial stability nor durable economic growth**.

**Economic collapse yields nuclear war. This is empirically proven and we MUST AVERT IT NOW.**

Sean **O’Donnell** Staff Writer, Baltimore Examiner, B.A. in History from the University of Maryland **2/26,** Will this recession lead to World War II, http://www.examiner.com/x-3108-Baltimore-Republican-Examiner~y2009m2d26-Will-this-recession-lead-to-World-War-III

Could the current economic crisis affecting this country and the world lead to another world war? The answer may be found by looking back in history. One of the causes of World War I was the economic rivalry that existed between the nations of Europe. In the 19th century France and Great Britain became wealthy through colonialism and the control of foreign resources. This forced other up-and-coming nations (such as Germany) to be more competitive in world trade which led to rivalries and ultimately, to war. After the Great Depression ruined the economies of Europe in the 1930s, fascist movements arose to seek economic and social control. From there fanatics like Hitler and Mussolini took over Germany and Italy and led them both into World War II. With most of North America and Western Europe currently experiencing a recession, will competition for resources and economic rivalries with the Middle East, Asia, or South American cause another world war? Add in nuclear weapons and Islamic fundamentalism and things look even worse. Hopefully the economy gets better before it gets worse and the terrifying possibility of World War III is averted. However sometimes history repeats itself.