## 1

#### The standard is maximizing expected wellbeing.

#### 1] Actor spec—governments must use util because they don’t have intentions and are constantly dealing with tradeoffs—outweighs since different agents have different obligations—takes out calc indicts since they are empirically denied.

#### 2] Death is bad and outweighs – a] agents can’t act if they fear for their bodily security which constrains every ethical theory, b] it destroys the subject itself – kills any ability to achieve value in ethics since life is a prerequisite which means it’s a side constraint since we can’t reach the end goal of ethics without life

#### 3] Pleasure and pain are the starting point for moral reasoning—they’re our most baseline desires and the only things that explain the intrinsic value of objects or actions

Moen 16, Ole Martin (PhD, Research Fellow in Philosophy at University of Oslo). "An Argument for Hedonism." Journal of Value Inquiry 50.2 (2016): 267.

Let us start by observing, empirically, that **a widely shared judgment about intrinsic value** and disvalue **is that pleasure is intrinsically valuable and pain is intrinsically disvaluable**. On virtually any proposed list of intrinsic values and disvalues (we will look at some of them below), pleasure is included among the intrinsic values and pain among the intrinsic disvalues. This inclusion makes intuitive sense, moreover, for **there is something undeniably good about the way pleasure feels and something undeniably bad about the way pain feels**, and neither the goodness of pleasure nor the badness of pain seems to be exhausted by the further effects that these experiences might have. “Pleasure” and “pain” **are** here **understood inclusively**, as encompassing anything hedonically positive and anything hedonically negative. 2 The special value statuses of pleasure and pain are manifested in how we treat these experiences in our everyday reasoning about values. If you tell me that you are heading for the convenience store**, I might ask: “What for**?” This is a reasonable question, for when you go to the convenience store you usually do so, not merely for the sake of going to the convenience store, but for the sake of achieving something further that you deem to be valuable. You might answer, for example: “To buy soda.” This answer makes sense, for soda is a nice thing and you can get it at the convenience store. I might further inquire, however: “What is buying the soda good for?” This further question can also be a reasonable one, for it need not be obvious why you want the soda. You might answer: “Well, I want it for the pleasure of drinking it.” If I then proceed by asking “But what is the pleasure of drinking the soda good for?” the discussion is likely to reach an awkward end. **The reason is that the pleasure is not good for anything further; it is simply that for which going to the convenience store and buying the soda is good**. 3 As Aristotle observes: “**We never ask** [a man] **what** his **end is in being pleased, because we assume that pleasure is choice worthy in itself**.”4 Presumably, a similar story can be told in the case of pains, for if someone says “This is painful!” we never respond by asking: “And why is that a problem?” We take for granted that **if something is painful, we have a sufficient explanation of why it is bad**. If we are onto something in our everyday reasoning about values, it seems that **pleasure and pain are both places where we reach the end of the line in matters of value**. Although **pleasure and pain thus seem to be good candidates for intrinsic value and disvalue**, several objections have been raised against this suggestion: (1) that pleasure and pain have instrumental but not intrinsic value/disvalue; (2) that pleasure and pain gain their value/disvalue derivatively, in virtue of satisfying/frustrating our desires; (3) that there is a subset of pleasures that are not intrinsically valuable (so-called “evil pleasures”) and a subset of pains that are not intrinsically disvaluable (so-called “noble pains”), and (4) that pain asymbolia, masochism, and practices such as wiggling a loose tooth render it implausible that pain is intrinsically disvaluable. I shall argue that these objections fail. Though it is, of course, an open question whether other objections to P1 might be more successful, I shall assume that if (1)–(4) fail, we are justified in believing that P1 is true itself a paragon of freedom—there will always be some agents able to interfere substantially with one’s choices. The effective level of protection one enjoys, and hence one’s actual degree of freedom, will vary according to multiple factors: how powerful one is, how powerful individuals in one’s vicinity are, how frequent police patrols are, and so on. Now, we saw above that what makes a slave unfree on Pettit’s view is the fact that his master has the power to interfere arbitrarily with his choices; in other words, what makes the slave unfree is the power relation that obtains between his master and him. The difﬁculty is that, in light of the facts I just mentioned, there is no reason to think that this power relation will be unique. A similar relation could obtain between the master and someone other than the slave: absent perfect state control, the master may very well have enough power to interfere in the lives of countless individuals. Yet it would be wrong to infer that these individuals lack freedom in the way the slave does; if they lack anything, it seems to be security. A problematic power relation can also obtain between the slave and someone other than the master, since there may be citizens who are more powerful than the master and who can therefore interfere with the slave’s choices at their discretion. Once again, it would be wrong to infer that these individuals make the slave unfree in the same way that the master does. Something appears to be missing from Pettit’s view. If I live in a particularly nasty part of town, then it may turn out that, when all the relevant factors are taken into account, I am just as vulnerable to outside interference as are the slaves in the royal palace, yet it does not follow that our conditions are equivalent from the point of view of freedom. As a matter of fact, we may be equally vulnerable to outside interference, but as a matter of right, our standings could not be more different. I have legal recourse against anyone who interferes with my freedom; the recourse may not be very effective—presumably it is not, if my overall vulnerability to outside interference is comparable to that of a slave— but I still have full legal standing.68 By contrast, the slave lacks legal recourse against the interventions of one speciﬁc individual: his master. It is that fact, on a Kantian view—a fact about the legal relation in which a slave stands to his master—that sets slaves apart from freemen. The point may appear trivial, but it does get something right: whereas one cannot identify a power relation that obtains uniquely between a slave and his master, the legal relation between them is undeniably unique. A master’s right to interfere with respect to his slave does not extend to freemen, regardless of how vulnerable they might be as a matter of fact, and citizens other than the master do not have the right to order the slave around, regardless of how powerful they might be. This suggests that Kant is correct in thinking that the ideal of freedom is essentially linked to a person’s having full legal standing. More speciﬁcally, he is correct in holding that the importance of rights is not exhausted by their contribution to the level of protection that an individual enjoys, as it must be on an instrumental view like Pettit’s. Although it does matter that rights be enforced with reasonable effectiveness, the sheer fact that one has adequate legal rights is essential to one’s standing as a free citizen. In this respect, Kant stays faithful to the idea that freedom is primarily a matter of standing—a standing that the freeman has and that the slave lacks. Pettit himself frequently insists on the idea, but he fails to do it justice when he claims that freedom is simply a matter of being adequately (and reliably) shielded against the strength of others. As Kant recognizes, the standing of a free citizen is a more complex matter than that. One could perhaps worry that the idea of legal standing is something of a red herring here—that it must ultimately be reducible to a complex network of power relations and, hence, that the position I attribute to Kant differs only nominally from Pettit’s. That seems to me doubtful. Viewing legal standing as essential to freedom makes sense only if our conception of the former includes conceptions of what constitutes a fully adequate scheme of legal rights, appropriate legal recourse, justiﬁed punishment, and so on. Only if one believes that these notions all boil down to power relations will Kant’s position appear similar to Pettit’s. On any other view—and certainly that includes most views recently defended by philosophers—the notion of legal standing will outstrip the power relations that ground Pettit’s theory.

#### 4] Extinction outweighs

MacAskill 14 [William, Oxford Philosopher and youngest tenured philosopher in the world, Normative Uncertainty, 2014]

The human race might go extinct from a number of causes: asteroids, supervolcanoes, runaway climate change, pandemics, nuclear war, and the development and use of dangerous new technologies such as synthetic biology, all pose risks (even if very small) to the continued survival of the human race.184 And different moral views give opposing answers to question of whether this would be a good or a bad thing. It might seem obvious that human extinction would be a very bad thing, both because of the loss of potential future lives, and because of the loss of the scientific and artistic progress that we would make in the future. But the issue is at least unclear. The continuation of the human race would be a mixed bag: inevitably, it would involve both upsides and downsides. And if one regards it as much more important to avoid bad things happening than to promote good things happening then one could plausibly regard human extinction as a good thing.For example, one might regard the prevention of bads as being in general more important that the promotion of goods, as defended historically by G. E. Moore,185 and more recently by Thomas Hurka.186 One could weight the prevention of suffering as being much more important that the promotion of happiness. Or one could weight the prevention of objective bads, such as war and genocide, as being much more important than the promotion of objective goods, such as scientific and artistic progress. If the human race continues its future will inevitably involve suffering as well as happiness, and objective bads as well as objective goods. So, if one weights the bads sufficiently heavily against the goods, or if one is sufficiently pessimistic about humanity’s ability to achieve good outcomes, then one will regard human extinction as a good thing.187 However, even if we believe in a moral view according to which human extinction would be a good thing, we still have strong reason to prevent near-term human extinction. To see this, we must note three points. First, we should note that the extinction of the human race is an extremely high stakes moral issue. Humanity could be around for a very long time: if humans survive as long as the median mammal species, we will last another two million years. On this estimate, the number of humans in existence in the The future, given that we don’t go extinct any time soon, would be 2×10^14. So if it is good to bring new people into existence, then it’s very good to prevent human extinction. Second, human extinction is by its nature an irreversible scenario. If we continue to exist, then we always have the option of letting ourselves go extinct in the future (or, perhaps more realistically, of considerably reducing population size). But if we go extinct, then we can’t magically bring ourselves back into existence at a later date. Third, we should expect ourselves to progress, morally, over the next few centuries, as we have progressed in the past. So we should expect that in a few centuries’ time we will have better evidence about how to evaluate human extinction than we currently have. Given these three factors, it would be better to prevent the near-term extinction of the human race, even if we thought that the extinction of the human race would actually be a very good thing. To make this concrete, I’ll give the following simple but illustrative model. Suppose that we have 0.8 credence that it is a bad thing to produce new people, and 0.2 certain that it’s a good thing to produce new people; and the degree to which it is good to produce new people, if it is good, is the same as the degree to which it is bad to produce new people, if it is bad. That is, I’m supposing, for simplicity, that we know that one new life has one unit of value; we just don’t know whether that unit is positive or negative. And let’s use our estimate of 2×10^14 people who would exist in the future, if we avoid near-term human extinction. Given our stipulated credences, the expected benefit of letting the human race go extinct now would be (.8-.2)×(2×10^14) = 1.2×(10^14). Suppose that, if we let the human race continue and did research for 300 years, we would know for certain whether or not additional people are of positive or negative value. If so, then with the credences above we should think it 80% likely that we will find out that it is a bad thing to produce new people, and 20% likely that we will find out that it’s a good thing to produce new people. So there’s an 80% chance of a loss of 3×(10^10) (because of the delay of letting the human race go extinct), the expected value of which is 2.4×(10^10). But there’s also a 20% chance of a gain of 2×(10^14), the expected value of which is 4×(10^13). That is, in expected value terms, the cost of waiting for a few hundred years is vanishingly small compared with the benefit of keeping one’s options open while one gains new information.

## 2

#### Post-Covid economic recovery is fragile now- inflation is adding pressure.

Lynch 6-11 [David J. Lynch Washington, D.C. Financial writer covering trade and globalization Washington Post, 6-11-2021, "Rising prices in the U.S. could rattle other countries amid uneven global recovery," <https://www.washingtonpost.com/us-policy/2021/06/11/inflation-fed-biden-recovery/>] 6/13/2021

U.S. leaders stumbled in their initial pandemic response. But they did flood[ed] the economy with several trillion dollars, powering through the worst of the health scare and quickly resuming growth. Europe provided less direct relief to its citizens and has seen weaker results. By the end of June, U.S. output should be slightly above its pre-pandemic level while the European Union will still be about 4 percent below its starting point, said Sheets. Still, the U.S. rebound has been anything but smooth. Labor market progress has disappointed and an uneven reopening has led to widespread shortages, including of semiconductors, resin, ketchup and lumber. Those supply-chain headaches are going global. An increasing number of countries are suffering supply disruptions, shipping problems and delivery delays, forcing companies to raise prices to compensate, said Robin Brooks, chief economist for the Institute of International Finance, an industry group. “The world has never seen the kind of global supply disruptions we are seeing now,” Brooks wrote this week. The Federal Reserve insists that May’s 5 percent annual inflation reading — the highest since August 2008 — represents a temporary fever. The supply of goods will improve as more companies resume normal operations while consumer demand will ease as government stimulus payments taper off, it says. Fed officials insist they will stay the course even as rising prices draw attacks from Republican lawmakers and high-profile economists such as Lawrence Summers of Harvard University, a former Democratic treasury secretary. In Summers’s view, the Biden administration’s lavish multitrillion-dollar spending plan coupled with the Fed’s near-zero interest rates means “overheating is now the largest risk” to the U.S. economy. Summers took to Twitter this week to warn that if the Fed or financial markets ultimately push rates higher in response to galloping inflation, “there will be enormous risks to an already fragile and over leveraged global economy.” There is no doubt that pricing pressures are increasing.G-III Apparel Group, which distributes clothing under brands such as DKNY, Donna Karan, Tommy Hilfiger and Calvin Klein, told investors this week that it plans “to selectively raise prices to largely offset higher freight costs.” Rising raw material and shipping costs likewise prompted Donaldson Co., a maker of filtration systems, to raise prices this year and to draw up plans to do so again, the company said earlier this month. And home builder Hovnanian Enterprises said it will follow suit. “We plan to continue to raise prices to keep up with rising material and labor costs, align sales pace with our ability to start homes and improve our margins,” CEO Ara Hovnanian said this month. But amid Summers’s alarms, financial markets yawned. The S&P 500 index hit a record high on Thursday while the yield on 10-year Treasury bonds continued a month-long decline, reflecting investor comfort with the outlook. The Fed’s patience has been rewarded. Lumber, one of the suddenly scarce commodities that saw prices spike, has fallen by one-third over the past month with the return of more sawmills to normal operations. Despite talk of a labor shortage, the three-month moving average of median hourly wage growth is lower today than at the start of the year, according to a Federal Reserve Bank of Atlanta gauge. That means individuals’ expectations of future inflation are not yet driving demands for higher pay, a key component of an unbridled price rise. Central bankers elsewhere are mimicking the Fed. In Canada, where inflation jumped to 3.4 percent in April, the Bank of Canada on Wednesday opted to leave its benchmark lending rate unchanged. “We expect inflation to stay around 3 percent through the summer and then to ease later in the year as remaining slack in the economy pushes inflation down,” said Tim Lane, deputy governor of the Bank of Canada, in a speech to a group of financial advisers. In Europe, consumer prices in May breached the European Central Bank’s policy goal for the first time since 2018, rising at an annual rate of 2 percent. On Thursday, the ECB said it would continue its bond purchases to support the economy while raising its inflation forecasts for this year and next to 1.9 percent and 1.5 percent, up from 1.5 percent and 1.2 percent. Much of the rise in European inflation is due to developments that are unlikely to be repeated: a doubling in oil prices since October and the reinstatement of a German value-added tax that had been suspended during the pandemic, ECB President Christine Lagarde said. In China, producer prices in May rose 9 percent from one year earlier, the National Bureau of Statistics said on Wednesday. Surging global commodity costs — copper is up 80 percent over the past year — were largely to blame for the highest jump since September 2008. Chinese factories so far are largely absorbing the costs. People’s Bank of China Gov. Yi Gang said this week that consumer price growth this year will be below 2 percent, lower than the government’s 3 percent annual goal. Hiring troubles prompt some employers to eye automation and machines History offers support for the Fed’s sanguine stance. Following the 2008 financial crisis, the Bank of England held its fire while the inflation rate more than doubled to 4.5 percent in about a year and a half. Ultimately, the increase fizzled and the authorities were vindicated. Indications that there remains enormous slack in the labor market, even as the unemployment rate has dropped from 14.8 percent in April 2020 to 5.8 percent today, also explains the Fed’s patience. The share of the population age 16 and above that is working or looking for work remains near its lowest point since women entered the workforce in large numbers in the 1970s. Just 61.6 percent of the population is in the labor force today, down from more than 66 percent in 2007. Fed Chair Jerome H. Powell wants to run the economy hot enough, long enough, to lure many of them back to productive work. If that means enduring a year or more of fast-rising prices, it’s a bargain the Fed is willing to take. The Fed says it won’t raise rates for three years. But if it’s forced to act sooner, a sudden rate hike would slow the economy and lead to a stronger dollar. That could trigger destabilizing capital flows from developing nations and make repaying dollar loans more expensive for foreign businesses that earn local currency from their operations.

#### Unions’ demands for higher wages causes an inflationary spiral.

Guida 6-4 Victoria Guida [an economics reporter covering the Federal Reserve, the Treasury Department and the broader economy. She has spent her Washington career writing about bank regulations, monetary policy and trade negotiations.

A Dallas native, she graduated from the University of Missouri with a double major in journalism and political science.] , 6-4-2021, "Biden’s back door to wage hikes," POLITICO, https://www.politico.com/news/2021/06/04/bidens-back-door-to-wage-hikes-491911

“The ‘shortages’ we are seeing in lower-wage jobs and the accompanying wage pressures are an early sign of success” for the president's agenda, said Julia Coronado, founder of MacroPolicy Perspectives. That success may be short-lived. Higher wages could be among the biggest factors in pressuring the Federal Reserve to raise interest rates if clear signs of an inflation spike appear. They also risk slowing hiring for those who will increasingly seek to return to the workforce as the pandemic subsides, as companies try to keep costs down. That’s why workers’ pay was a major focus for Fed officials in Friday's U.S. employment report for May. They want to see wage gains for the workforce — but what’s behind those raises matters. Wage growth “is positive if it reduces hardship, reduces inequality and is not eaten away or reversed by higher inflation,” said Tim Duy, an economics professor at the University of Oregon and a former U.S. Treasury economist. “But we should be cognizant of the possibility that we’re inducing more inflation.” Income growth has been relatively strong, particularly in the last couple of months, despite disappointing overall job growth. Wages were up about 2 percent in May compared to the year before, and that number likely underestimates the real amount of income growth for technical reasons; lower-wage workers disproportionately lost jobs last year, making the overall average for those who kept their positions look higher then, and the opposite effect is now occurring as Americans return to the labor market. "Anyone looking at the 2.0% increase in yr/yr wages is missing the story," Jason Furman, a Harvard professor and former top economic adviser to President Barack Obama, said in a tweet. "Nominal wages up 1.2% in April/May. That is a 7.4% annual rate. That is huge." The pressure to do more to attract employees could continue to grow in certain public-facing industries. According to the Labor Department‘s jobs report, about 2.5 million people are still being held back from looking for work because of the pandemic. Wages for non-managerial leisure and hospitality workers grew 1.3 percent last month and are up 3.7 percent compared to May 2020. At the heart of the fight for higher pay is a desire for workers to share in a greater portion of the nation's economic rewards after decades of sluggish wage growth — the result of the weakening of labor unions, companies shifting production overseas and increased use of job-displacing automation. This would ideally show up as bigger raises as the economy expands faster. But if higher wages are instead passed along to customers at higher prices, that can create an inflationary cycle, as opposed to the one-time price increases that many experts believe the economy can absorb as people’s behavior, and global supply chains, return to normal. “In the near term, I wouldn’t say this is necessarily a dangerous situation if we’re just raising wages for a group of people who have been traditionally disadvantaged,” Duy said. But the longer there are shortages that make employers feel more comfortable raising prices as well as wages, “that’s where you get into this potential shift in the psychology where the wage gains and the price gains become linked.” Heidi Shierholz, director of policy at the left-leaning Economic Policy Institute and a former chief economist at the Labor Department, said Americans are not seeing the type of widespread shortage-induced wage increases that would be cause for concern. “Things are re-normalizing; it’s not like things are out of whack,” she said, adding that some of the wage increases for leisure and hospitality workers might have come from a return to normal tipping practices as restaurants reopened. “I have longer-run concerns,” she added. “The wages were too low in that sector before Covid hit, so re-normalizing is not exactly where we want to be.” For its part, the Fed is pursuing a state of “full employment,” where wages rise because most people have jobs, and the central bank has said it’s willing to tolerate inflation above its 2 percent target to get there. But the hesitance by some workers to return to the labor force is only creating the illusion of that dynamic, said Adam Ozimek, chief economist at Upwork. “If employers are raising wages right now due to temporary shortages, then that risks slowing job growth when those temporary shortages are gone,” with millions still out of work, Ozimek said. “If we were at full employment, and we were seeing inflationary pressures, that wouldn’t concern me at all,” he added. “You’re getting it because of good and sustainable reasons. That’s not the same thing as inflation due to temporary supply shortages.”

#### That collapses the economy.

Colombo 18 [Jesse Colombo is an economic analyst and Forbes contributor who warns about bubbles and future financial crises], “How Interest Rate Hikes Will Trigger The Next Financial Crisis”, Forbes, 9-27-18, https://www.forbes.com/sites/jessecolombo/2018/09/27/how-interest-rate-hikes-will-trigger-the-next-financial-crisis/?sh=5401bf966717

On Wednesday, the U.S. Federal Reserve hiked its benchmark interest rate by a quarter-percentage point to 2% - 2.25%, which is the highest level since April 2008. As rates continue to climb off their post-Great Recession record lows, market participants and commentators are showing almost no signs of fear as the stock market is hitting records again and complacency abounds. Unfortunately, "soft landings" after rate hike cycles are as rare as unicorns and virtually all modern rate hike cycles have resulted in a recession, financial, or banking crisis. There is no reason to believe that this time will be any different. As I've explained in the past, periods of low interest rates help to create credit and asset booms in the following ways: By encouraging more borrowing by consumers, businesses, and governments By discouraging the holding of cash versus spending and speculating in riskier assets & endeavors Investors can borrow cheaply to speculate in assets (ex: cheap mortgages for property speculation and low margin costs for trading stocks) By making it cheaper to borrow to conduct share buybacks, dividend increases, and mergers & acquisitions By encouraging higher rates of inflation, which helps to support assets like stocks and real estate When central banks set interest rates and hold them at low levels in order to create an economic boom after a recession (as our Federal Reserve does), they interfere with the organic functioning of the economy and financial markets, which has serious consequences including the creation of distortions and imbalances. By holding interest rates at artificially low levels, the Fed creates "false signals" that encourage the undertaking of businesses and other endeavors that would not be profitable or viable in a normal interest rate environment. The businesses or other investments that are made due to artificial credit conditions are known as "malinvestments" and typically fail once interest rates rise to normal levels again. Some examples of malinvestments are dot-com companies in the late-1990s tech bubble, failed housing developments during the mid-2000s U.S. housing bubble, and unfinished skyscrapers in Dubai and other emerging markets after the global financial crisis. Though it can be difficult to tell precisely which investments or businesses are malinvestments in a central bank-distorted economy, a quote by Warren Buffett is extremely applicable: "only when the tide goes out do you learn who's been swimming naked." For the purpose of this discussion, "the tide going out" refers to rising interest rates. The mass failure of malinvestments in an economy as interest rates rise typically results in recessions or banking/financial crises. The chart below shows how recessions or financial crises have occurred after historic interest rate hike cycles: Here is a list of historic recessions, banking, and financial crises that have occurred after interest rate hike cycles (this list corresponds with the chart above): Late-1970s/early-1980s rate hike cycle: 1980 recession: A 6-month recession that concentrated in housing, manufacturing, and the automotive industry. 1981 - 1982 recession: A 16-month recession in which 2.9 million jobs were lost. U.S. savings and loans crisis: 1,043 out of the 3,234 savings and loan associations failed as the interest rate at which they could borrow rose above the fixed interest rates on the loans that they had issued. In addition, savings and loan institutions were limited by interest rate ceilings, which caused them to lose deposits to higher-earning commercial bank accounts. U.S. housing market bust: Mortgage rates surged as high as 18%, which caused housing affordability to sink. As a result, existing-home sales fell by 50% from 1978 to 1981, affecting the whole industry - including mortgage lenders, real estate agents, construction workers, etc. Automotive industry crisis: Similar to the situation in housing, higher interest rates made automobile financing much more expensive. As a result, automobile sales plunged, causing 310,000 jobs (or one-third) in the industry to be cut. Latin American debt crisis: Rising interest rates made it harder for heavily-indebted Latin American countries to pay back their debts. Mid-1980s rate hike cycle: Continental Illinois bank failure: In 1984, Continental Illinois became the largest bank failure in U.S. history (until Washington Mutual's failure in 2008). Rising interest rates and bad loans to Texas and Oklahoma oil & gas producers strongly contributed to the bank's demise. Late-1980s rate hike cycle: Early-1990s recession: An 8-month recession in which 1.623 million jobs were lost. U.S. savings and loans crisis: Higher interest rates and the U.S. real estate downturn caused a continuation of the savings and loans crisis that began in the early-1980s. U.S. real estate downturn: Rising interest rates caused a downturn in both commercial and residential real estate. Mid-1990s rate hike cycle: Emerging markets crisis/Mexican peso crisis: Low U.S. interest rates in the early-1990s made higher-yielding emerging markets assets more attractive to investors. As U.S. interest rates rose, Mexico and other emerging economies experienced painful readjustments and currency devaluations. Orange County, California bankruptcy: Bad bets on highly leveraged interest rate derivatives bankrupted the county as interest rates rose. Early-2000s rate hike cycle: Early-2000s recession: An 8-month recession in which 1.59 million jobs were lost after the tech bubble burst. Tech bubble bust: Higher interest rates helped burst the late-1990s tech bubble that was centered around internet-related companies, dot-coms, the telecom industry, etc. Mid-2000s rate hike cycle: Great Recession: An 18-month recession in which 8.8 million jobs were lost after the U.S. housing and credit bubble burst. U.S. housing bubble bust/credit crunch: Low interest rates after the early-2000s tech bust led to the formation of a bubble in housing and credit. When interest rates rose again in the mid-2000s, housing prices and mortgage-backed securities plunged. The Current Rate Hike Cycle Won't End Any Differently All of the modern interest rate hike cycles we have examined resulted in recessions or financial crisis, and the current one will be no different. This time around, it will be the "Everything Bubble" that bursts. "Everything Bubble” is a term that I’ve coined to describe a dangerous bubble that has been inflating in a wide variety of countries, industries, and assets – please visit my website to learn more. After nearly a decade of ultra-low interest rates, the U.S. and global economy are saturated with bubbles and other distortions that will only be revealed by rising interest rates. Because of our record debt burden, interest rates do not have to rise nearly as high as in prior cycles to cause a recession or financial crisis this time around. Here are some examples of interest rate-sensitive sectors that I believe are experiencing bubbles that will burst as interest rates rise: Emerging markets: Ultra-low interest rates and quantitative easing in the U.S. and Europe after the Great Recession caused trillions of dollars worth of "hot money" to flow into emerging economies, which led to the development of credit and asset bubbles in those countries. Emerging market debt nearly tripled to $60 trillion in the past decade. Turkey, South Africa, and many other emerging markets are being roiled as U.S. interest rates and the dollar rise. U.S. corporate debt bubble: The low interest rate[s] environment after the Great Recession has encouraged public corporations to borrow heavily in the bond market. Total outstanding non-financial corporate debt has increased by over $2.5 trillion or 40% since its 2008 high. U.S. corporate debt is now at an all-time high of over 45% of GDP (see chart below), which is even worse than the levels reached during the dot-com bubble and U.S. housing and credit bubble. Read my corporate debt bubble warning on Forbes to learn more. U.S. shale energy boom/energy junk bonds: This boom/bubble is closely related to the corporate debt bubble discussed above. Extracting oil and gas from shale via fracking is extremely capital-intensive and would not be feasible in a normal interest rate environment. Thanks to the artificially low interest rate environment since the Great Recession, the shale energy industry’s net debt surged to $200 billion in 2015 - a 300% increase from 2005. Rising interest rates and the bursting of the corporate debt/junk bond bubble will cause a major bust in the shale energy industry. U.S. auto loans: Low interest rates after the Great Recession made financing and leasing automobiles much cheaper, which has resulted in an automobile sales boom. Total outstanding auto loans increased 36% to $1.118 trillion in the past decade. Rising interest rates will cause monthly auto loan payments to be more expensive, which will result in lower sales and a bust in the automotive industry. U.S. commercial real estate: Commercial real estate is a very interest rate-sensitive arena that has levitated due to low interest rates after the Great Recession. According to Green Street Advisors, U.S. commercial real estate prices have more than doubled since 2009. U.S. residential real estate: As I've recently explained in Forbes, U.S. housing prices now exceed their housing bubble peak and are up 50% from their low point in 2012 thanks to ultra-low mortgage rates. Mortgage rates did not reach such low levels on their own, but due to intervention by the Fed in the form of quantitative easing. The Fed is now reversing its quantitative easing program by $40 billion per month and, unsurprisingly, mortgage rates just hit a seven-year high and the housing market is decelerating. U.S. stock market investors are dangerously exposed to coming busts in interest rate-sensitive sectors, which will spill over into the highly-inflated stock market. Please read my U.S. stock market bubble report in Forbes for more information. The S&P 500 has risen over 300% since March 2009 due to the Federal Reserve's market manipulation: Many valuation measures show that the U.S. stock market is more overvalued than it was at major generational market peaks, which means that another sharp bear market is inevitable. According to the U.S. stock market capitalization-to-GDP ratio (also known as Warren Buffett’s "favorite indicator"), the market is more overvalued than it was during even the dot-com bubble: The current interest rate hike cycle won't end any differently than the others discussed in this piece - if anything, it will likely end in an even worse manner because interest rates were held at record low levels for a record period of time. The coming recession, crisis, and bear market will be proportionate to the unprecedented imbalances and distortions that have built up in our economy.

#### Causes global nuclear war

Tønnesson 15, Dr. Stein Tønnesson is a Norwegian peace researcher and historian. International Area Studies Review, 18(3), “Deterrence, interdependence and Sino–US peace.” <https://journals.sagepub.com/doi/abs/10.1177/2233865915596660> you know how to access it | ahsBC

Mutual economic dependence between China and the US within an integrated global economic system including Japan, South Korea and the ASEAN countries is probably the most cited reason for expecting East Asia to remain peaceful. The cost of conflict is assumed to be prohibitive. So although East Asia does not derive its peace from strategic trust, institutional integration or shared values, peace may still be preserved because national leaders give priority to their economic development, realize how costly a conflict would be, and expect to make further gains from open trade. Lampton (2014: 3, 7, 122, 136) holds that peace is enhanced by ‘the idea of global interdependence’, and puts forward an ‘interdependence theory’: institutional and economic interdependence dampens impulses toward conflict. While it does not make conflict impossible, and makes war even more destructive should it occur, it provides ‘incentives to keep conflict with major partners manageable’. There is now a ‘struggle for the soul of Chinese foreign policy between the realities of interdependence and the impulses of assertive nationalism’. Lampton does not go into detail about the question of when interdependence precludes war and when it does not. Christensen (2015: 41–46), however, is more specific as to why global interdependence today is of a different kind than in the past, and more likely to hinder war: trans-national production chains make it necessary for an aggressor state to ‘persuade a diverse set of foreign investors, suppliers of key components, and logistics companies to continue doing business’ after it has invaded a territory, and it is easy to see how difficult this may be.1 Thus it is less tempting than in the past to go to war: ‘While transnational production and interdependence is certainly no guarantee against war’, says Christensen, ‘it is still a major force for peace’ (Christenen, 2015: 46). The Russian invasions of Georgia and the Crimea, and the US invasions of Afghanistan and Iraq prove Christensen’s point about how difficult and costly it is to reconstitute a functioning economy after invading a territory, but show also that some governments disregard the costs when they see weighty geopolitical reasons for resorting to force against an inferior country with no nuclear arms. While conceding that interdependence restrains ambition and rivalry, White (2012: 50–52, 55, 116) doubts that restraints will prove stronger than pressures going the other way. He points at a psychological factor: ‘…most often people see it as shameful to put economic concerns first when issues of power and status are engaged’. When a choice has to be made in the glare of an international crisis, ‘it is very hard to put economics first’. And if both sides think the costs will be worse for their adversary than for themselves, they may wait for the other to blink. Since there is now just ‘one big global economy’ no major power can slam economic sanctions on another without hurting itself severely, but the momentum of rivalry could build up ‘before leaders or public wake up to the economic consequences’. Escalating rivalry could ‘begin to erode economic interdependence, rather than interdependence curbing escalation’, White adds. This must mean that interdependence actually does prevent or delay open conflict; only after governments have taken action to reduce their dependence are they willing to risk war. Steve Chan’s Enduring Rivalries in the Asia-Pacific (2013) is very optimistic: the general trend in East Asia, he says, is toward abatement rather than exacerbation of rivalries. Territorial disputes are less likely to escalate today than during the Cold War since East Asian states have shifted to policies emphasizing economic development. This has created a ‘synergistic effect that restrains interstate tension and rivalry’. Ties have been multilateralized, with many third parties gaining a vested stake in interstate stability. While China has increased its military capabilities it has also acquired an interest in preserving regional stability. On its side, the US faces resource constraints that make it wary of providing too strong support to its allies. This should work against bipolarization of regional relations. Chan’s optimism is not derived from recent events but from an assumption that underlying long-range forces create interests securing the peace: ‘Economic interdependence and political pluralism promote stakeholders that have a vested interest in stabilizing and expanding foreign ties, and these stakeholders are, in turn, self-motivated to lobby their government to undertake policies that abate rivalry’ (Chan, 2013: 20). Chan finds that the normal mechanism behind the outbreak and escalation of large wars is that a smaller state in an asymmetrical relationship chooses a confrontational behaviour in the hope of gaining support from a major patron; those with little or no hope of receiving foreign support and those with a great deal of confidence in their ally’s commitment ‘are less likely to initiate such confrontation than those that are in an intermediate position’ (Chan, 2013: 108, 114, 186). Given the nature of Sino–US relations, no provocation by a smaller state in East Asia is likely to escalate. North Korea cannot count on Chinese support against South Korea. South Korea, Japan, and the Philippines are subjected to US ‘escalation control’. From the perspective of power balance theory, says Chan, greater power parity between China and the US should have ‘a stabilizing rather than a destabilizing effect’. This defies Mearsheimer’s reasoning but conforms to Yan’s analysis. Chan thinks China’s rise should stabilize regional relations by ‘curtailing any US tendency toward assertive unilateralism … the last thing Beijing wants to do is to trigger a costly arms race or precipitate forces that will pressure its neighbors to choose between it and Washington’ (2013: 82, 102, 104). While this seems reasonable, China’s behaviour in the last few years does not quite confirm Chan’s argument. The ways and the conditions under which cost concerns enter into Beijing’s decision-making need to be gauged. Who calls for caution? At which stage in a crisis? According to Chan the people and governments of East Asia have turned away from being garrison states to a model of political economy emphasizing economic growth. This presents ‘the most powerful firebreak against conflict contagion’. The region-wide transition to ‘economy first’ policies has been successful, and ‘successful policies are likely to be continued … emulated and replicated’. But can they continue to be successful if Western markets are no longer able to absorb huge quantities of Asian goods? Chan qualifies his argument: ‘…when states expect future economic relations to be disrupted or curtailed, they are likely to stop cooperating and might even lash out in war’ (2013: 135, 140, 147, 149). This same argument forms the nucleus of Dale Copeland’s ‘trade expectation theory’ (Copeland, 2015), which builds on his ‘dynamic differentials theory’ (Copeland, 2000). Copeland does not include nuclear deterrence as a part of his theory (he treats nuclear as no different from conventional deterrence), and has not studied Sino–US relations in particular. What he has done is to develop a comprehensive theory of major war, based on defensive realism while including liberal elements, and paying particular emphasis to the security–economy nexus. His findings, which are based on a number of historical case studies, are of considerable interest in the context of this paper. Copeland includes three kinds of power in his theory: military; economic; and ‘potential’. The latter includes several elements, such as size, age and education of the population, access to natural resources, and economic growth prospects. In Copeland’s most recent books he focuses more narrowly on just the economic aspect of potential power, namely ‘trade expectations’. His The Origins of Major War (2000) and Economic Interdependence and War (2015) include a number of elements and findings from which interesting implications for Sino–US relations today may be seen. As in the Thucydides trap (see below), third parties can play a significant role in provoking wars between major powers (Copeland, 2015: 443–444). Hence the need to cautiously manage the disputes between the two Korean states, China and Taiwan, China and Japan, and China and the Philippines has lost none of its importance. National leaders act on the basis of their beliefs about phenomena not necessarily on accurate knowledge (Copeland, 2000: 31–32; Copeland, 2015: 17). Beliefs about likely future trends are particularly salient, and the future cannot of course be accurately known. In bipolar systems a state believing itself to be in decline is much more likely than a rising power to initiate conflict: ‘rising states should want to avoid war while they are still rising, since by waiting they can fight later with more power’ (Copeland, 2000: 2–3, 14, 20). Hence China and the US have a mutual interest in preventing each other from fearing decline. Strong military powers who believe themselves to be in decline (have negative trade expectations) are particularly dangerous (Copeland, 2000: 5, 13, 22, 237, 241, 244; Copeland, 2015: 429). Thus Beijing must be weary of tying itself up too closely with a declining Russia and even more weary of American fears of decline. Dynamic relational factors such as ‘potential power’ or ‘trade expectations’ are more important in determining choice between war and peace than static factors, such as the actual level of trade, or a state’s form of governance on the ‘unit level’ (Copeland, 2000: 235–236, 238, 245; Copeland, 2015: 12, 14, 27–50, 435–436). To the extent that unit level differences count, the character of the target state is more important than that of the aggressor; while the liberal assumption that some kinds of regimes are more likely to initiate war than others is wrong, it is true that some kinds of regimes are more likely to be targetted than others.2 To avoid becoming a target it may help to be seen as predictable, transparent, respectful of international law, and open to trade and investments. In the conclusion to his exhaustive examination of how trade expectations have influenced various decisions for war in the period 1790–1991, Copeland is optimistic about today’s prospects: ‘there are strong reasons to believe that China will stay peacefully engaged in the system over the long term, at least as long as the United States proves willing to maintain an open and free-flowing global economic system’; ‘the reasons for optimistic economic expectations in both China and the United States should outweigh the reasons for pessimism for at least a couple more decades’ (Copeland, 2015: 432, 444). Chan’s and Copeland’s optimism depends on the continued success of globalization. If trade expectations falter on any or both sides of the Pacific the unit-level economy-first policies may lose their pacifying effect. Chan confirms that the dampening effect of economic inter-dependence on conflict behaviour depends on policies of economic openness and integration. Hence there is need to understand global financial politics, global trends and economic expectations in Beijing, Washington, Tokyo and other East Asian capitals before assessing the likelihood that economic interdependence will continue to ensure peace among major nuclear powers.