Martand and I negate.

C1 Is A Spending Tradeoff

Affirming would constrict government spending in two areas.

First is infrastructure.
Navales 16 writes if our deteriorating infrastructure is not addressed by 2025, 2.5 million jobs and 4 trillion dollars in GDP will be lost. Thankfully, **Shepardson of Reuters** last month reports the new democratic Head of House Transportation Committee plans to work across the aisle to pass an infrastructure bill, a now bipartisan goal. However, **Swan of Axios 18** writes Trump demands the bill be financed by debt, making it impossible under an affirmative ballot.

Second is stimulus packages.
A recession is on the horizon. **Colombo of Forbes 18** specifies nearly all sectors of the market are overvalued mimicking the situation before all past recessions. As a result, **Yusko of Morgan Capital 18** forecasts a recession in the first half of 2019.

Problematically, affirming constrains the government's ability to combat recessions by constraining stimulus. **Kenton of Investopedia 18** explains, stimulus packages are both economic growth-inducing and debt financed, as **Liborio of the St. Louis Fed** finds the 08 package added 800 billion dollars to the debt. This means passing a package would prioritize economic growth over debt reduction, rendering it impossible in a pro world.

Critically, **Zandi of UPenn** finds without stimulus, in 08, the crisis would've been twice as long, the deficit would be 20 percent higher, and 17 million more jobs would've been lost.

C2 Is Breaking Bonds

Hicks of US News 18 explains the debt is entirely financed by bonds, meaning with a lower debt, bond supply decreases as well.

This creates two problems.

First is speculation.

A high supply of bonds provides investors with the capability to choose between investing in either bonds or the stock market. With fewer bonds available, however, **Amadeo of the Balance 18** explains interest rates decrease, forcing investors to divert funds to higher-risk, speculative investments to maximize profits.

Steenbarger of Forbes 18 contextualizes, when there is more market participation, markets move faster and become more volatile, as he finds from August to October, investment through the S&P 500 tripled in participation, causing the average volatility per share to double.

Increasing volatility increases the frequency of recessions as, **Mitchell of Case Western 14** concludes every financial crash since the 1630s can be attributed to some sort of mass speculation.

Second is Monopoly Formation.

Current levels of corporate debt are decreasing. **Shecter of the Financial Post 19** reports the global debt market last year witnessed the slowest activity since 2015. However, **Roberts of Wharton 15** writes as the government definitionally decreases their bond sales, corporations inherently increase their own issuance of bonds to take their place. He furthers, financial intermediaries must choose between lending to corporations and the government, leading **Krishnamurthy of Northwestern University 13** to find every 1 dollar decrease in bond supply increases short-term debt ownership by 50 cents.

Overall, **Roberts** concludes every 1% increase in government debt causes commercial banks to reduce lending by 0.1%.

Unfortunately, **Colombo of Forbes 18** finds instead of business investments and expansions, these funds are being used to foster the the creation of mergers and acquisitions. Problematically, **Siegel of UC Riverside** finds monopolies supply inferior products, damaging the economy without meaningfully improving productivity. Even worse, he concludes wages and unemployment increases by 10%, automating away workers while expanding the gap between the rich and the poor.

C3 Is Austerity

In order to reduce the national debt, the US must run a budget surplus, meaning actual debt reduction requires the government to convert their 1 trillion dollar deficit into a net gain.

Problematically, **Trump's Top Economic Advisor** finds the president will veto any tax increase as it is his platform for reelection, leaving massive spending cuts the only option.

Unfortunately, agreements on cuts are unlikely as **Boccia of The Heritage Foundation** writes the last time the US attempted to balance the budget, agreements on cuts were not made, and **Henninger of the Wall Street Journal 19** furthers last week, political gridlock in today's congress has become the "new normal," making compromise unlikely.

There are two impacts.

The first is sequestration.

Singer of the Brookings Institution concludes the end result would be forced cuts distributed across all government sectors. Problematically, he finds sequestration restricts the government's ability to reallocate funding to save critical programs.

Alone, **Wu of the NBER 11** quantifies every 1 percent reduction in medicare funding increases mortality by .3 percent.

Second is decreasing debt capacity.
Even if agreements are made, cutting government spending would devastate the economy, as **Singh 18** finds spending has a 157% positive economic return, leading **Coppola of Forbes 18** to conclude austerity policies in Europe increased their debt to GDP ratios. Even worse, **Kelton 18** writes the last 7 times the US has attempted to reduce the debt, 7 recessions have occurred.

For these reasons we negate.

Capital shortage warrant

Gee continues the corporate sector relies on bonds for access to capital. Specifically, **Kahn of the University of Michigan 19** reports a growing supply of bonds increases private capital by making safe assets more available to firms, allowing them to better retain earnings in order to invest in their own future. Overall, **Kahn** concludes every 1% increase in the federal debt increases private sector investment by 0.13%.

The impact is growth. **Firebaugh of UChicago** quantifies every 1% increase in private investment causes a 0.23% rise in economic growth.