We affirm.

Our sole contention is losing interest

Current national debt is reaching precarious levels. Brennan Weiss of the Business Insider writes, “failure to address our long-term fiscal situation has increased the national debt to over $20 trillion,” the highest in history.

Despite losing government revenue, however, Congress will continue running up the deficit. The New York Times reports, “After embracing $1.5 trillion in debt by slashing taxes on corporations and wealthy families... Republican leaders in Congress pushed through a two-year budget deal... that will increase spending by nearly $400 billion.”

Indeed, the idea that conservatives are more fiscally responsible is a myth. Daniel Mitchell of CNS News finds, after looking at domestic spending over eight presidencies and 50 years, that Republicans generally recorded much higher rates of domestic expenditures.

National debt has risen to the point where simple solutions will not cut it. Jeanne Sahadi of CNN explains, “there is abundant evidence showing that taxes must be part of debt reduction, however distasteful the GOP finds them. [The] looming debt problem is just too big. And reducing it by spending cuts alone would require draconian changes that could hurt the economy far more than a mix of [spending and tax reform].”

Moreover, “lawmakers... trying to negotiate spending cuts this year alone [were limited to a] working range [of] Between $10 billion and $61 billion.” In the context of a $20 trillion check, this won’t be nearly enough.

These increases will specifically take the form of a financial transaction tax, or FTT, which is a tax on capital transactions used to selectively discourage excessive speculation.

This is for three reasons.

1. There are already plans to do so. Baumann of Mother Jones finds, proposals levying an FTT as a way of discouraging churn and raising revenue have already reached both the House and Senate.
2. Taxes in other areas have already been cut. Trump’s 2017 tax bill specifically targeted corporate and income tax reductions. It would be entirely hypocritical to raise them two years later, so a tax on financial transactions is more likely.
3. The plan is politically popular. Glazer of the WSJ reports that the one thing that Republicans and Democrats can agree on is their hatred for Wall Street and major

financial institutions. It is a politically expedient, bipartisan solution to implement an FTT.

As such, affirming means taxing financial transactions, discouraging speculative spending and high-frequency trading. Scheinkman '14 explains that this speculation artificially drives up asset prices further and further, until a frenzied sell-off causes prices to plummet and the bubble to deflate or burst.

Absent a comprehensive plan to reduce debt, government interest payments will skyrocket. Collins '18 of USA Today explains that interest payments on U.S. debt are projected to total $7 trillion over the next decade and, by 2026, will become the third largest category of the federal budget.

Schwartz '18 of the New York Times contextualizes that interest payments will overtake Medicaid in 2020 and the Department of Defense budget in 2023.

Problematically, this increase in mandatory spending constricts fiscal flexibility in times of economic downturn.

Ghilarducci '18 of Forbes explains that high interest payments limit the amount the government can spend on fiscal stimuli during a recession.

The Economist '18 adds that as debt grows, fiscal stimuli will be even more important to recovery in the case of a looming recession.

Unfortunately, a financial crash is coming. Fortune explains, "the economy has begun overheating, producing more than its sustainable long term potential. "We are thus in the 'late-cycle' part" of [a catastrophic, massively unstable] business cycle."

The impact of ignoring our national debt is a global economic crisis.

Any US recession, regardless of the cause, spreads to the rest of the world. According to Friedman '17 of the Huffington Post, a recession would inevitably involve a drop in U.S. imports and outgoing investment, which destabilizes global economies that have become excessively reliant on exports and FDI.

Thus the World Bank '10 reports the recession of 2008 pushed 64 million people around the world into poverty.

The longer we wait, the more there are at risk. The St. Louis Fed found that "for each year of recession over the past 33 years, it has taken about four years of expansion for the gap to return to its pre-recession level."

Thus, we affirm.