#### Unionville Affirms

**Our Sole Contention is Running from Recessions**

**With every period of economic growth, there is also a period of downturn. In fact, the Financial Post in 2017 writes that**

**It’s the cyclical nature of such downturns to recur roughly every 10 years or so**

**Affirming would reduce the impact of recessions for 3 reasons.**

**First is Overheating**

**Currently, Kraft of the Hill writes in 2018 that**

**The economy has reached the peak of the business cycle.**

**Economic growth cannot go above this peak in the long term trend of the boom and bust cycle. Pettinger of Greenes College writes in 2017 that**

**If economic growth is above the ‘long-run trend then growth is likely to cause inflation.**

**This is happening now. Singh of the Fair Observer in 2018 writes that**

**A unifying agenda underlies almost every policy that this administration has made: a desire to stimulate inflation**

**Unfortunately, Morah of Investopedia in 2018 writes that**

**Many factors contribute to a recession but one of the major causes is inflation.**

**This because Samuelson of Helena Independent in 2018 writes that inflation**

**creates a dilemma for the Fed. If it raises interest rates to combat inflation, it risks depressing the stock market and triggering a recession. But if it does nothing, inflation may worsen and cause a broader crisis**

**Samuelson puts it simply:**

**extended booms give rise to long busts that have been hugely destructive — meaning higher unemployment and lower incomes. The 1960s was followed by a decade of four recessions and the 1990s led to the 2008 financial crisis.**

**Affirming would put current economic growth on the backburner, allowing our economy to follow the normal cycle.**

**Second is Stimulus**

**The US has to pay interest on its debt every year.**

**Unfortunately these interest payments are getting costlier, as the The CRFB in 2016 explains**

**Interest is the fastest growing type of spending over the next 10 years. By 2026, interest payments will represent more than 1 out of every 8 dollars the government spends.**

**They conclude that**

**Every dollar the United States devotes to interest payments is a dollar that cannot fund national priorities**

**Thus, Schwartz of CNBC in 2018 writes that**

**The risk is that the government would have less room to maneuver if the economy slows.**

**More specifically, Horowitz of FiveThirtyEight writes in 2018 that**

**The great risk of rising deficits is that they make it harder for the U.S. to fight off the next recession. This time, the U.S. is liable to enter its next recession with a substantial deficit, inflaming concerns that even necessary stimulus would be too dangerous.**

**Lowrey of the Atlantic warrants this, writing in 2017 that…**

**Fiscal hawks in Washington choked off debt-financed spending after the last recession, and would be likely to attempt to do the same again.**

**This stimulus is critical. Binder of the CBPP in 2015 writes that**

**Without the policy responses of late 2008, the economy would have contracted for more than twice as long as it did; More than 17 million jobs would have been lost, about twice the actual number.**

**Third is Defaulting**

**Capretta of the AEI writes in 2018 that**

**The U.S. is the richest country, but that does not mean the government is immune to a debt crisis. No country can borrow forever without consequence.**

**In fact, Cox of NBC writes in 2013 that**

**While many agree that a default remains unlikely, warnings are beginning to intensify that Washington is skating too close to a line.**

**Empirics show its probable. Hicks of US News writes in 2018**

**As the federal government's debt level rises, its ability to repay its obligations come into question.** **Other nations (Italy and Greece, for example) have indebted themselves to the breaking point.**

**Thus, Bishop of the Mises Institute writes in 2016 that**

**The real question about an American default has always been less a matter of if, and more a matter of when**

**Amadeo of the Balance continues in 2019, that**

**Even if investors only think the United States could default, the consequences could be as bad as an actual default. U.S. debt is seen worldwide as the safest investment anywhere. Any threat of a default could cause debt rating agencies to lower the U.S. credit rating.**

**The US defaulting is extremely problematic because Henricks of BigThink in 2018 writes**

**Investors would likely pull their money out of U.S**. **This** **would likely spark a recession.**

**Overall, recessions must be mitigated**

**Morello of the Washington Post writes in 2009 that the last recession**

**Plunged 2.6 million more Americans into poverty, [and] wiped out gains of an entire decade**

**This won’t just stay within the US. The World Bank quantifies**

**The Recession of 2008 resulted in an increase in poverty of 64 million people**