# KG January 18’ NC

**We negate- Resolved: The United States federal government should prioritize reducing the federal debt over promoting economic growth.**

## Contention One is Stimulus Packages

**Laursen of Fortune finds that there is “near certainty” that the economy falls into a recession in 2020 as a result of global jitters, heightened political tensions, and the actions of the federal reserve.**

**Laursen**, Lucas. “What Are the Odds of a U.S. Recession by 2020? Larry Summers Says They're Pretty High.” **Fortune**, Fortune, 16 Nov. **2018**, fortune.com/2018/11/16/larry-summers-recession-by-2020/.

The former U.S. treasury secretary told CNBC Thursday that **an economic retraction was a “near certainty” because of jitters within global finance, heightened political tensions worldwide and the actions of the Federal Reserve.** A survey this summer of business economists revealed that a majority also think the next recession will arrive by 2020. If these theories are proved correct, it will bring an end to a lengthy period of economic expansion that started in June 2009. Indeed, should the U.S. economy continue to expand until July 2019, it would become a record-breaking streak, according to the nonprofit National Bureau of Economic Research.

**In times of recession the US is able to pass economic stimulus packages that help the country. These bills are crucial as Stone of US News writes that without proper federal responses, the 2008 recession would have been 3 times worse, 2 times longer, and raised unemployment significantly higher.**

**Stone**, Chad. “It Could Have Been So Much Worse.” U.S. News & World Report, U.S. News & World Report, 23 Oct. **2015**, www.usnews.com/opinion/economic-intelligence/2015/10/23/the-great-recession-would-have-been-much-worse-without-stimulus-tarp.

In a nutshell, Blinder and Zandi estimate that **without the full set of federal responses, the recession would have been more than three times deeper and lasted twice as long; we would have lost twice as many jobs** and unemployment would have peaked at 16 percent rather than 10 percent; the budget deficit would have grown to 20 percent of GDP, reaching $2.8 trillion in fiscal 2011; and unemployment today would be 7.6 percent, not 5.1 percent. Those federal responses included: substantial fiscal stimulus (debt-financed tax cuts and spending increases), most notably the 2009 economic recovery act; extraordinary actions by the Federal Reserve, Federal Deposit Insurance Corporation and Treasury Department, together with TARP, to re-establish a stable financial system and get credit flowing again; and the Fed's aggressive monetary stimulus, first using standard monetary policy to cut short-term interest rates to zero, then making large-scale purchases of longer-term assets (so-called quantitative easing or QE) to lower longer-term rates to encourage more economic activity.

**Prioritizing debt would prevent these policies. Sahadi of CNN reports that the stimulus package that helped the US recover from the Great Recession was funded mainly by taking on large amounts of debt.**

**Sahadi,** Jeanne. “Stimulus with Interest: $1.2 Trillion.” **CNNMoney**, Cable News Network, 27 Jan. **2009**, money.cnn.com/2009/01/27/news/economy/stimulus\_spending/.

EW YORK (CNNMoney.com) -- **The long-term cost of the $825 billion economic recovery package before Congress could rise to $1.2 trillion over 10 years**, a top budget official said Tuesday. That's because the government will borrow to fund the plan and pay an estimated $347 billion in interest, Congressional Budget Office Director Douglas Elmendorf told the House Budget Committee on Tuesday. The calculation was made at the request of House Republicans who have questioned the size and effectiveness of the bill.

**However this new package would be impossible when you affirm as America is forced to crack down on the rising debt and de-prioritize initiatives that boost economic activity. Unfortunately, the impact to the last recession was devastating. Before Obama’s stimulus package, Grovum of USA Today notes that the 2008 reccession saw a 15% decrease in homeownership, 600 thousand jobs lost, and cut state spending in education, public assistance programs and transportation by almost a fourth.**

**Grovum**, Jake. “2008 Financial Crisis Impact Still Hurting States.” **USA Today**, Gannett Satellite Information Network, 15 Sept. **2013**, www.usatoday.com/story/money/business/2013/09/14/impact-on-states-of-2008-financial-crisis/2812691/.

Turmoil in the housing market has already reshaped the makeup of households nationwide. **Homeownership rates among people with children under 18 fell sharply during the recession, declining 15%** between 2005 and 2011, according to Census Bureau data. In some states it was far worse. For Michigan, the decline in homeownership was 23%, and in Arizona and California it was 22%.

As NASBO found**, the situation forced states to cut areas "often considered politically sacrosanct," such as education, public assistance programs and transportation.** It remains to be seen whether the losses will ever be recouped. Education comprises a significant portion of state budgets. In the 2012-2013 school year, for example, 35 states had K-12 funding that was below pre-recession levels when adjusted for inflation, according to the Center on Budget and Policy Priorities (CBPP), a left-leaning think tank. Some **states reeled from spending cuts% of almost 22% compared to 2008.**

The reductions also significantly shrunk public workforces. State and local cuts to public employees outlived the worst of the layoffs in the private sector**. State and local governments have shed 681,000 jobs** since their peak in August 2008, by far the largest drop of any recession in the past half century, according to the Nelson A. Rockefeller Institute of Government.

## Contention Two is Entrenching Poverty

**As national debt is so high, any measure to reduce the debt would have to be drastic. Unfortunately, these extreme measures would directly hurt the poor. This would happen in two ways.**

**The first is tax hikes. In the past, the government has used top-down tax hikes to reduce the debt.**

**These taxes would target the rich and thus damage small businesses. Rich of Forbes finds that even though the top tier of the US only accounts for 3.5% of total taxpayers, they account for 53% of all small business income in the US.** **This is why the Carrol for The NFIP concludes that Obama's proposed tax increases in 2012 would have decreased economic productivity by 200 billion dollars, wages by 1.8%, and led to the loss of 700 thousand jobs.**

**Rich**, Howard. “The Reality Of Higher Taxes On Income Is An Ugly One.” **Forbes**, Forbes Magazine, 24 Oct. **2012**, www.forbes.com/sites/realspin/2012/10/24/the-reality-of-higher-taxes-on-income-is-an-ugly-one/#4c4bde132369.

Consider this: The U.S. Joint Committee on Taxation recently concluded that the3.**5 percent of American taxpayers who report annual business income over $250,000 a year – i.e. those who would see their tax rates increase under Barack Obama’s plan – generate 53 percent of all small business income in America.** This isn’t just about taxing wealth, though. According to a recent Ernst & Young study, 54 percent of Americans are currently employed at companies whose owners file taxes individually. Is it really that difficult to imagine the economic carnage that would follow from raising their marginal rates

https://www.nfib.com/Portals/0/PDF/AllUsers/research/studies/ey-fiscal-cliff-tax-study-increasing-2013-rates.pdf

Through lower after-tax rewards to work, the higher tax rates on wages reduce work effort and labor force participation. The higher tax rates on capital gains and dividend increase the cost of equity capital, which discourages savings and reduces investment. Capital investment falls, which reduces labor productivity and means lower output and living standards in the long-run. ** Output in the long-run would fall by 1.3%, or $200 billion, in today‟s economy.  Employment in the long-run would fall by 0.5% or, roughly 710,000 fewer jobs, in today‟s economy.  Capital stock and investment in the long-run would fall by 1.4% and 2.4%, respectively.  Real after-tax wages would fall by 1.8**%, reflecting a decline in workers‟ living standards relative to what would have occurred otherwise.

**The second is by expanding sequestration measures. When politicians need to reduce debt, but cannot agree on what to cut, sequestration measures come in place. These measures are across the board cuts in spending. While seemingly fair, these measures unintentionally target the poor. Matthews of Vox News finds that the latest sequestration cuts included cutting billions in funding from relief programs such as Medicare, Social Security, and food stamps, potentially leaving tens of millions without the aid they need to stay alive. In fact, Parrott of the Guardian writes that 80% of the cuts in the last sequestration in 2013 came from discretionary spending, which provides low income families with crucial aid and support. He found that the sequestration had cut housing assistance for over 100 thousand families, cut welfare benefits for 3.8 million unemployed citizens, and cut over 750 thousand jobs.**

**Matthews**, Dylan. “The Gigantic Cuts in Donald Trump's Latest Budget Proposal, Explained.” **Vox**.com, Vox Media, 12 Feb. **2018**, www.vox.com/policy-and-politics/2018/2/12/16996832/trump-budget-2019-release-explained.

On Monday, President Donald Trump unveiled the second budget proposal of his presidency, encompassing proposals affecting defense and non-defense funding for government agencies, **tax changes, and funding for social insurance and assistance programs like Social Security, Medicare, Medicaid, and food stamps.** The budget broadly resembles the budget Trump released last year, and both closely follow budget plans put forward by House Speaker Paul Ryan when he was the House Budget Committee chair. Ryan’s previous budget proposals featured **trillions in cuts to programs for the poor.** While Trump largely leaves the non-disability portions of Social Security unscathed, and boosts funding for border security, veterans, and defense, he cuts just about everything else — including Medicare, which was largely spared in the fiscal year 2018 budget

**Parrott**, Sharon. “The Real Problem with the Sequester Is That It Unfairly Targets the Poor | Sharon Parrott and Joel Friedman.” The **Guardian**, Guardian News and Media, 27 Feb. **2013**, www.theguardian.com/commentisfree/2013/feb/27/budget-sequester-will-have-serious-economic-impact.

Instead, the cuts are concentrated in what's known as "discretionary" programs, because Congress funds them on an annual basis (unlike "entitlement" programs, like social security, which have permanent funding). About half of discretionary spending is for defense; the other half is for a wide range of activities including education, medical and scientific research, law enforcement, environmental protection, international aid programs, and support for low-income individuals and families. **Discretionary spending accounts for about 35% of total spending, but it will bear roughly 80% of the cuts under sequestration.**

**Millions of Americans will feel the impact.** To cite just a few examples, we at the Center on Budget and Policy Priorities estimate that the WIC nutrition program for low-income pregnant women, infants, and young children will have to turn away 600,000 to 775,000 children and new mothers by the end of the fiscal year. We also estimate that **more than 100,000 low-income families will likely lose housing assistance that helps them afford rent. Meanwhile, the US Department of Labor estimates that the roughly 3.8m long-term unemployed workers who receive federally funded benefits will see their weekly benefits cut by nearly 11%.** That translates into an average of about $140 per month loss for a jobless worker, many of whom may have exhausted their savings. Other cuts under sequestration could affect a broad swath of the public, slowing everything from the processing of social security applications (due to staff cuts at the Social Security Administration), to air travel (due to cuts in the number of airport security workers), to progress in developing ways to prevent and treat serious diseases (due to funding cuts for the National Institutes of Health). The economy has struggled to regain its footing after the Great Recession, and Congress has already imposed headwinds by letting the temporary payroll tax cut of 2010 expire in January. Sequestration would be another significant hit. The Congressional Budget Office estimates that **sequestration will cost about 750,000 jobs by the fourth quarter of 2013 and slow economic growth this year from 2.0% to 1.4%.**

## Contention Three is Building From the Ground Up

**America’s current infrastructure state is rapidly deteriorating. McBride of The Council on Foreign Relations writes last year that America relies on an outdated system having gone decades without major upgrades, which is limiting economic performance and posing risks to public health.**

**McBride**, James. “The State of U.S. Infrastructure.” **Council on Foreign Relations**, Council on Foreign Relations, 12 Jan. **2018**, www.cfr.org/backgrounder/state-us-infrastructure.

The $18 trillion **U.S. economy relies on a vast network of infrastructure** from roads and bridges to freight rail and ports to electrical grids and internet provision.But **the systems currently in place were built decades ago, and economists say that delays and rising maintenance costs are holding economic performance back.** Civil engineers raise safety concerns as well, warning that many bridges are structurally deficient and that antiquated drinking water and wastewater systems **pose risks to public health**. Meanwhile, Americans’ international peers enjoy more efficient and reliable services, and their public investment in infrastructure is on average nearly double that of the United States.

**Applebaum of The New York Times furthers that infrastructure conditions have deteriorated as federal and state funding levels plummet to all-time lows. With tightening budgets, few are willing to spend sums of money on changing the situation.**

**Appelbaum**, Binyamin. “Public Works Funding Falls as Infrastructure Deteriorates.” **The New York Times**, The New York Times, 8 Aug. **2017**, www.nytimes.com/2017/08/08/us/politics/infrastructure-trump.html.

It’s basically the opposite of a major government infrastructure program. **Government spending on transportation and other public works is in decline as federal funding stagnates and state and local governments tighten their belts. Such spending equaled 1.4 percent of the nation’s economic output in the second quarter of 2017, the lowest level on record**, according to Census Bureau data. In West Virginia, where President Trump on Thursday touted a vague $1 trillion infrastructure plan, public works spending has fallen for five straight years. Nate Orders, who runs a construction company founded by his grandfather to build bridges for the state, said he had been forced to scramble for other kinds of business. Only three of the 15 projects on his current slate are bridges in West Virginia.

**However, a solution is on the horizon. Zanora of The Hill reports that Democrats are willing to compromise with Trump on the current infrastructure bill and Trump favors the approach of the Democrats for spending.**

**Crucially, the US government is forced to prioritize the rising debt would stop any infrastructure bill that would likely raise the deficit. This would shut down any chance of passing Trump’s bill, as Zanora writes the new infrastructure package would inevitably add trillions to the deficit.**

**Zanona**, Melanie. “Hopes for Infrastructure Deal with Trump Rise If Dems Win House.” **TheHill**, The Hill, 4 Oct. **2018**, thehill.com/policy/transportation/infrastructure/409809-hopes-for-infrastructure-deal-with-trump-rise-if-dems.

Democrats are vowing to fight tooth and nail to oppose [President Trump](https://thehill.com/people/donald-trump)’s agenda if they win back the House. But there is one area where they may try to work with the administration. **House Minority Leader** [**Nancy Pelosi**](https://thehill.com/people/nancy-pelosi) **(D-Calif.) has said an infrastructure and jobs package is a top priority for Democrats if they’re in the majority next year, and transportation is considered potential common ground between Trump and congressional Democrats.** Trump promised to rebuild the nation’s crumbling infrastructure during his 2016 presidential campaign, but efforts to craft comprehensive legislation hit roadblocks under the GOP-controlled Congress, where Republicans have long been skeptical of massive transportation spending. **The latest proposal from Democrats carried a $1 trillion price tag. Still, there is optimism in transportation circles that Trump will have better luck at getting a massive infrastructure package to land on his desk if Democrats control the House.** “Since Day One, I made it clear that I would be willing to work with President Trump and my colleagues on the other side of the aisle to deliver Americans with the infrastructure bill that we so desperately need,” said Rep. [Cheri Bustos](https://thehill.com/people/cheri-bustos) (D-Ill.), co-chairwoman of the House Democratic Policy and Communications Committee, in a statement to The Hill. “**Democrats are serious about getting the job done, and that's why we developed a $1 trillion infrastructure plan to rebuild our nation,” she added. “We stand ready to work with Republicans if they're serious about making a meaningful investment in our infrastructure.”** But it may prove to be a difficult political environment for bipartisanship if Democrats are simultaneously fighting the administration with subpoenas, investigations and possibly even impeachment proceedings next year. The window for cooperation could also be limited to 2019, after which election-year politics could complicate any bipartisan infrastructure efforts as both sides gear up for the 2020 presidential election. “If people think the politics is crazy now, just wait until the 50-plus Democrats announce they’re running for president,” said Sean Joyce, the CEO of Atlas Crossing and a former GOP aide for the House Transportation and Infrastructure Committee. “The Democrats list infrastructure as a top priority in 2019, and it sounds nice saying ‘we want to play ball,’ but suiting up and getting on the field are wildly different.” House Democrats earlier this year introduced their “For the People” agenda, which includes proposals to rebuild the nation’s infrastructure, lower prescription drug costs and clean up the corruption in Washington -- three issues Trump ran on in 2016. While a Democratic aide said the presidential overlap was unintentional, it nevertheless leaves the door open for bipartisanship next year. **The Democrats’ infrastructure plan would inject $1 trillion in federal funding directly into a wide range of transportation projects: roads, highways, bridges, railroads, airports, broadband, energy and water. Lawmakers estimate the plan could create as many as 16 million jobs.** A Democratic leadership aide emphasized that the goal is to have a bipartisan product with some GOP buy-in, regardless of whether there is a tense relationship between congressional Democrats and the White House. But the ball is ultimately in Trump’s court on whether he’s willing to work with Democrats, the aide said. “He is the president of the United States, so we need his signature,” the aide said. “But the onus is going to be on him... Does he want to fulfill a campaign promise?” While Trump never introduced infrastructure legislation, his administration released a framework that would leverage about $200 billion in federal dollars to create $1 trillion in infrastructure investment, with the private sector and local governments picking up the rest of the tab. Bustos noted that Democrats were disappointed that the White House blueprint wasn’t bipartisan, and she said infrastructure efforts have largely been a “one-way conversation" thus far. But Trump was reportedly skeptical of the public-private partnership model floated by his now-former economic adviser [Gary Cohn](https://thehill.com/people/gary-cohn). **Instead, he told a group of Republicans during a meeting last fall that he preferred direct, massive spending -- the approach favored by Democrats.** "We've just gotta spend money on this," Trump said during the meeting, according to a recent [Axios](https://www.axios.com/newsletters/axios-sneak-peek-08e07e35-16a4-4ec9-ac9b-40138905d43c.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiossneakpeek&stream=top) article. **Trump has welcomed the prospect of an eye-popping, $1 trillion infrastructure plan. Embracing a spending package with Democrats would allow him to score a major legislative victory before his reelection campaign picks up, even if it means signing a bill that more closely resembles funding mechanisms favored by Democrats.** The Highway Trust Fund is also set to run out of money in 2020, making it an issue that will require attention from the next Congress. But even if Trump puts some serious muscle behind an infrastructure bill and has the support of House Democrats, the plan could still run into hurdles on Capitol Hill. The proposal would need to come up with a pay-for that both sides can agree on, an issue that has long eluded Washington. While Trump has expressed openness in the past to raising the federal gas tax, the idea has faced resistance in both parties. To reach the $1 trillion figure, an infrastructure bill would likely need a variety of offsets to cover the massive price tag. “I think people can agree on the framework, but then it comes down to where is the money gonna come from,” said Marcia Hale, president of Building America’s Future. Meanwhile, the GOP is sure to resist that level of spending, even if it is fully paid for. Even if Democrats win back control of both chambers, there would still need to be cooperation from Republicans in the Senate. Most Republicans prefer transportation projects be funded through public-private partnerships, which they argue are far more efficient and effective than putting the government in charge. GOP lawmakers will likely clash with Democrats on whether the package should protect wages and environmental laws. But some transportation advocates say that Trump could give his party a lot of cover by putting his weight behind an infrastructure plan. “If the president decides to take the driver’s seat and lead on infrastructure, it could be a game changer,” Joyce said. “Trump isn’t losing support from his base, so it's probably not a bad call for him to make a good faith effort to court Dems, offering a large carrot on infrastructure spending.” “

**The impact to prioritizing debt and not passing the bill is destructive. As deteriorating infrastructure will result in higher internal costs in America, McCarthy of Fobes quantifies that the American economy is projected to lose over 4 trillion in GDP, 2.5 million jobs by 2025. McCarthy furthers that infrastructure deficiencies will cause the average household to lose 3,400 dollars annually.**

**McCarthy**, Niall. “The Massive Cost Of America's Crumbling Infrastructure [Infographic].” **Forbes**, Forbes Magazine, 13 Mar. **2017**, [www.forbes.com/sites/niallmccarthy/2017/03/13/the-massive-cost-of-americas-crumbling-infrastructure-infographic/](http://www.forbes.com/sites/niallmccarthy/2017/03/13/the-massive-cost-of-americas-crumbling-infrastructure-infographic/).

**Deteriorating infrastructure will result in higher business costs for a multitude of reasons. These include goods being more expensive to produce and transport as well as business-related travel being more expensive and unreliable.** Once businesses become more inefficient, costs will rise, **productivity will fall and GDP will drop.** According to a report from the American Society Of Civil Engineers, **the U.S. economy is expected to lose just under $4 trillion in GDP between 2016 and 2025 if investment gaps are not addressed.** This could hit $14 trillion by 2040 if the nation's aging roads, railways and bridges are left to decay even further. The report estimates that **losses to business sales will amount to $7 trillion by 2025 while by 2040, they could soar as high as $23.3 trillion**. Crumbling infrastructure will also have a knock-on effect on U.S. families' disposable household income. Between 2016 and 2025, **each American household will lose $3,400 every year due to infrastructure deficiencies. The severe economic impact mentioned above will also cost some 2.5 million jobs by 2025**, according to the report. Without investment, that number should reach 5.8 million by 2040.

**On the other hand, rebuilding infrastructure can help those at the bottom. Zanora finds the new bill would inject 16 million jobs and 1 trillion in federal funding. After analyzing communities around the U.S., The Center for Neighborhood Technology found that new infrastructure strategies could reduce the number of people living in poverty by 25 percent.**

<https://www.cnt.org/urban-opportunity-agenda>

The Center for Neighborhood Technology (CNT), with support from Knight Foundation, has analyzed 10 U.S. communities and f**ound that the number of people living in poverty could be reduced by 25 percent or more through a set of expense reductions, targeted job creation, and smarter public and private investments. The need to build on local assets** means that the portfolio of opportunities is different across communities, but the framework is one that can be applied nationally.

**Because the American people ought to be defined by prosperity and not poverty, we are proud to negate.**

# F/2s

## Sequestration

### Weighing

**There are 2 reasons why our link into sequestration is more probable**

1. **There is no political will to cut government programs as it is very political unpopular, and instead if the budget is strained the most likely thing politicians would is just keep on borrowing not sequester.**
2. **Historically we have never cut our budget. For example CBS finds that during the 1990s our interest payments in relation to our relative size were a lot bigger than today, but there was no fiscal crisis.**

**Overall, the IMF finds that in advanced economies with lots of fiscal room, such as the United States, the probability of their being a major fiscal crisis due to debt is just 2.6% every year, which is why they conclude that the welfare costs for reducing the debt to GDP ratio by 20% are 10x times as large as the costs.**

<https://www.imf.org/external/pubs/ft/sdn/2015/sdn1510.pdf>

Empirically, it is difficult to pin down the probability of a crisis—let alone how much that probability falls as debt declines—because sovereign debt crises in advanced economies are rare. A recent database (Baldacci and others [2011]) of negative fiscal “events” (sovereign default, debt restructuring, spike in spreads, or high inflation), however, can help. For an advanced economy with 120 percent of GDP of debt, the likelihood of a negative event is estimated to be **about 2.6 percent per year: over a 20 year horizon, the expected number of crises is 0.52,** with a very generous estimate of the output cost associated with these events (most of which are not a full blown sovereign debt crisis) being approximately 15 percent of GDP.10 At debt of 120 percent of GDP, therefore, the expected loss is 7.8 percent of GDP. Suppose debt is lowered to 100 percent of GDP. The corresponding likelihood of an event is 2.4 percent per year, yielding an expected loss of 7.2 percent of GDP.11 In other words, the expected benefit of reducing debt from 120 percent of GDP to 100 percent of GDP is only about 0.4–0.6 percent of GDP—**or around onetenth of the welfare cost due to distortionary taxation.**12 The calculation above is very much predicated on the sovereign being sufficiently far from its debt limit (that is, having ample fiscal space). Obviously, at or very near the debt limit (in the yellow zone, but close to the red zone threshold), there will be enormous gain from reducing debt before a crisis occurs. Thus the conclusion is not that it is never worth reducing debt in order to lower the likelihood of crisis. Indeed, with the precise location of the debt limit uncertain, there is insurance value in keeping fiscal space against the possibility of future shocks that increase the sovereign’s debt (this would apply to countries in the yellow zone). But for countries that have ample fiscal space (clearly in the green zone), the benefit of reducing debt is unlikely to exceed the cost of the

<https://www.cbsnews.com/news/u-s-national-debt-interest-costs-are-about-to-skyrocket-does-it-matter/>

## Infrastructure

### Recession Link In

1. **Turn. Infrastructure spending solves back for the impacts of a recession. Thoma of CBS writes that before the next recession we need to spend majorly on infrastructure to boost interest rates higher, so the Fed has more room to deal with the recession. This pre-requisites their entire impact. Prefer it on historical analysis, CBS does the analysis and finds that we should have done this shit back in 2008, where it would have brought sustained economic growth.**

**Thoma**, Mark. “How Congress Can Help Fight the next Recession.” **CBS News**, CBS Interactive, 31 May **2016**, www.cbsnews.com/news/how-congress-can-help-fight-the-next-recession/?fbclid=IwAR0fm\_elXIhx5YVAfCXkQ1Gcc-UK7ueleN6Pd2TUSB-0L6bvxSidXM\_xQZs.

**Renewing America's commitment to improving its infrastructure -- which has provided proven economic benefits in the past -- would help to create jobs, increase GDP growth above its currently stubborn low rate and help ensure against the possibility that low growth will continue**. In addition, with interest rates as low as they are now, the cost of borrowing the money needed to make infrastructure investments is extraordinarily low, and the longer we wait to make the necessary investment the more costly it will be. During the period from 1982-2007, known as the Great Moderation, fluctuations in output and employment were relatively mild, and the Fed was able to stabilize the economy without the need for assistance from fiscal policymakers. The country became used to relying on the Fed, and fiscal policy was all but forgotten. But in a severe recession, fiscal policy must be part of the response, and Americans ought to be able to expect economic needs to trump political gamesmanship. In any case, **we should certainly expect Congress to meet the country's infrastructure needs, especially when it helps fight a current or future recession.**

### F/2: Bill Won’t Pass

1. **The 2020 election will motivate Trump and Dems to pass the bill for two reasons:** 
   1. **The want to increase political capital and show they have passed meaningful policies**
   2. **They also want to pass policies that appeal to moderate Americans at the middle i.e. infrastructure in order to increase their vote count**
2. **The Zanora evidence is extremely good on giving reasons on why the bill will pass-** 
   1. **Democrats and Republicans are having a high level of compromise- it’s a very bipartisan issue**
   2. **They are stuck in a cycle of appeasing to each other’s demands because both sides want the bill passed.**
   3. **Congress wants to pass it as soon as possible because the Highway Trust Fund is about to end**

### F/2: Money Misdirected

1. **Historically the money has always been misdirected because the USFG just blindly provides infrastructure funding packages for states to spend as they please. However, Plumer of Vox News reports the current proposal being pushed forward explicitly steers away from constructing new infrastructure and focusing on repairing existing infrastructure.**

**Plumer**, Brad. “Senate Democrats Have a $1 Trillion Infrastructure Plan - and It's Very Different from Trump's.” Vox.com, **Vox** Media, 24 Jan. **2017**, [www.vox.com/policy-and-politics/2017/1/24/14369666/democrats-infrastructure-plan-trump](http://www.vox.com/policy-and-politics/2017/1/24/14369666/democrats-infrastructure-plan-trump).

The Democratic proposal is more old-fashioned — the federal government would mostly send money directly to states for public works. The biggest concern with a plan like this, Glaeser [told me last fall](http://www.vox.com/policy-and-politics/2016/10/4/13121058/trump-clinton-infrastructure-economics-glaeser), is that in the past, a lot of federal spending on infrastructure has been wasted on unnecessary new roads (or white elephant transit projects) rather than upgrading aging but valuable infrastructure. **The proposal** — backed by Democratic Sens. Schumer, Tom Carper, Sherrod Brown, Bernie Sanders, Bill Nelson, Maria Cantwell, and Ron Wyden — **steers away from new road construction and focuses more on repairing existing roads. It also has billions for transit, ports, the electric grid, and other projects.** Here’s a more precise breakdown: $210 billion to “repair crumbling roads and bridges.” This would include an expansion of the Obama administration’s [TIGER grants](https://en.wikipedia.org/wiki/Transportation_Investment_Generating_Economic_Recovery), which offered money to cities trying to solve key environmental issues via transportation. $110 billion to upgrade local water and sewer systems by providing local communities and taxpayers with federal grants, rather than loans. $180 billion to replace and expand existing rail and bus systems. $75 billion to rebuild schools (these projects are typically financed through local property taxes). $70 billion to “modernize America’s Ports, Airports, & Waterways.” $20 billion to expand high-speed broadband in unserved and underserved areas. $100 billion in new funding for energy infrastructure and grid modernization. This would also include reforming tax incentives for renewable energy. Also: “A permanent incentive would be given for electricity generation, transportation fuels, and energy efficiency improvements.” $200 billion for “a new Vital Infrastructure Projects program that will direct major federal investments to the most critical national projects.” $20 billion in funding to “address critical infrastructure backlogs on Public Lands and in Indian country.” $10 billion to “construct new Veterans Administration Hospitals & Extended Care Facilities for our nation's heroes, and upgrade Army National Guard Readiness Centers.” $10 billion to “support the creation of New Innovative Financing tools aimed at unlocking private pools of capital and increasing infrastructure investment.” It proposes the creation of a new infrastructure finance entity (“I-Bank”) that would unlock private pools of capital to provide low-cost loans or loan guarantees for infrastructure projects across a broad range of sectors, including transportation, energy, affordable housing, and water infrastructure.

### F/2: Poverty Turns

1. **If we are making blue collar jobs for those at the bottom, that means that we are definitely not increasing poverty on net- we are creating a way to climb out**
2. **Increasing accessibility to basic resources for those in poverty- because the new infrastructure plan builds on top of old infrastructure- is still a way in which we help the poor.**
3. **Cross apply the Center for Neighborhood Technology Evidence- those two warrants prove their conclusion.**

### F/2: Social Spending Links In

1. **Infrastructure will never be cut- Zanora is very clear in saying it’s a bipartisan policy that builds political capital- they won’t cut infrastructure at all.**
2. **Cutting infrastructure would literally collapse the country over time to get places and function with water, transportation etc. it’s not happening. The reason social spending cuts happen is because they are sometimes seen as expendable.**

### F/2: Deficit Neutral [T]

#### Mann from last month postdates them and says Trump and Dems both want to put mass influxes in infrastructure spending, as opposed to their prior modest approach

#### Both parties are willing to compromise right now which definitely wouldn’t happen if the deficit-neutral plan full of tax hikes on the rich were still on the table because Trump is so opposed to such measures

#### Doesn’t matter, infrastructure is still a method of econ growth, meaning it’s still NEG ground

### F/2: Increase Inflation

#### Only happens in the short term, in the long term, [Alex of Newcastle in 2018](https://www.quora.com/How-will-spending-in-infrastructure-impact-inflation) writes that Now that goods are cheaper to buy due to cheaper transport etc., the prices fall

Spending on infrastructure would make the economy more efficient (eg: higher private investments, faster and cheaper transportation etc.) and thus, it will shit the Aggregate Supply curve to the right. Hence, overall price level would fall while national output increases.

### F/2: Racist

#### The [EPI Institute](https://www.epi.org/publication/infrastructure-investments-latino-african/) writes the infrastructure plan will largely benefit those in low income neighborhoods which need updates in public transportation and also provide an influx of low skill jobs

#### T: [CBP](https://www.cbpp.org/blog/new-infrastructure-plan-would-boost-economy) writes that dems infra plan includes incentives for ppl to do more business with businesses owned by minorities, women, and vets

### F/2: Just move Jobs around

#### No it doesn’t, a report by the [ASCE](https://www.asce.org/magazine/20170321-would-infrastructure-investment-create-jobs-that-last-/) finds that any infra plan now would make up for what they call “missing jobs”, jobs that disappeared during the recession and never returned. The plan creates jobs that didn’t exist before the plan, new jobs that benefit ppl.

**One of the key findings is that such an infrastructure package would make up for the "** [**missing jobs**](https://cew.georgetown.edu/cew-reports/missingjobs/)**," that is, the jobs that disappeared during the Great Recession and never returned. Although the economy has been creating jobs since 2011, the total number of jobs has stubbornly lagged behind the level that economists would have expected had there been no recession by about 6.4 million. The jobs market has had trouble closing this gap for seven years.**

### F/2: Trump Wall

#### According to the TTN, Pelosi made clear in her negotiations with Trump, he expressed a clear openness to negotiate and the wall has never become an issue when they discussed the bill

https://www.ttnews.com/articles/trump-congress-eye-possibility-infrastructure-bill-2019

The Democrats, who know Steel Slats (Wall) are necessary for Border Security, are putting politics over Country. What they are just beginning to realize is that I will not sign any of their legislation, including infrastructure, unless it has perfect Border Security. U.S.A. WINS!” Trump tweeted Dec. 20. The president’s threat, however, failed to register with new Speaker of the House Nancy Pelosi (D-Calif.). “I believe the president wants to do an infrastructure bill. I don’t know that he’ll throw a tantrum over it when he sees what the bill might be. We’ve talked in a very positive way. Almost every conversation I’ve had with him since he’s been president ... has involved how we can work together on infrastructure,” she told reporters Dec. 20. “It’s something the country wants very much. It’s something he promised in the campaign. So, if he’s keeping campaign promises to the letter, he probably would want to get to work on an infrastructure bill,” Pelosi added.

1. **Trump always says stuff in tweets he contradicts later—Mexican Wall funding, whether he’d pull out of NAFTA, and more.**
2. **He is always willing to compromise—he compromised on criminal justice reform even with the political tensions around the wall and such**

### F/2: Democrats Climate Change

1. **Zanona—explicitly looking for cooperation.**
2. **Mann-Trump has already made some compromises like increasing federal spending**