### turns environment

**Growth key to check environmental degradation**

**Sagoff 1997** (Mark, Director of the Institute for Philosophy and Public Policy at University of Maryland, College Park, Atlantic Monthly, June, v279, n6, p. 80-96, www.chem.brown.edu/chem12/readings/atlantic/consume.html)

Many have argued that economic activity, affluence, and growth automatically lead to resource depletion, environmental deterioration, and ecological collapse. Yet greater productivity and prosperity—which is what economists mean by growth—have become prerequisites for controlling urban pollution and protecting sensitive ecological systems such as rain forests. Otherwise, destitute people who are unable to acquire food and fuel will create pollution and destroy forests. Without economic growth, which also correlates with lower fertility, the environmental and population problems of the South will only get worse. For impoverished countries facing environmental disaster, economic growth may be the one thing that is sustainable.

### turns latin america

**US decline hurts Latin American economies**

**AP** 1/29/**2008** (IMF predicts slowing global economy in 2008 due to US housing woes, but no recession, lexis)

Rising home foreclosures and falling home prices caused U.S. financial markets to drop steeply in recent months, as major banks such as Citigroup Inc. and Merrill Lynch & Co. Inc. have written down billions of dollars of securities that include bad home loans. The disruptions have reverberated around the world as banks have cut back on lending and raised credit standards, leading to tighter credit markets. Tuesday's IMF report was the second time the organization has cut its 2008 growth projection. Last July, the IMF estimated the world economy would grow 5.2 percent in 2008, but in October the estimate was reduced to 4.4 percent. Johnson said that difficulties in the U.S. financial sector have impacted Europe's economy. Several of its major banks have also reduced the value of complex securities they hold that are tied to U.S. mortgages. The IMF expects growth in the European Union to slow to 1.6 percent this year, down from an estimated 2.6 percent in 2007. Asia and Latin America, meanwhile, will also see reduced growth in 2008, the IMF said, as their exports decline due to weaker economies in the United States and Europe. The global impact of the U.S. slowdown indicates that the U.S. economy still exerts influence over the rest of the world, despite predictions that other countries are "decoupling," Johnson said.

**That’s posturing – he’ll negotiate before accepting default**

**Rubin, 9/18/13 –** author of the Right Turn column for the Washington Post (Jennifer, Washington Post, “Obamacare and debt ceiling ping-pong” http://www.washingtonpost.com/blogs/right-turn/wp/2013/09/18/obamacare-and-debt-ceiling-ping-pong/)

The flip side of this is that when it comes to the debt ceiling the White House, as we saw in 2011, **is under much more pressure to strike a deal**. No wonder the president defiantly insist that he “won’t negotiate on the debt ceiling.” If the hard liners agree to this approach, that is using the debt ceiling as the vehicle for a deal, that’s a win for GOP leadership.

It is also important to keep in mind that what the House sends over to the Senate to start the bidding isn’t all that critical. If the hard liners want to lard it up with Obamacare defunding and every other shiny object, there is little downside. What is critical is what the Senate does with it and how the House responds to whatever comes back. Sen. Ted Cruz (R-Tex.) and the other members of the shutdown squad don’t have a lot of allies. Unless something changes, there aren’t enough R’s to block a CR that doesn’t include their pet defunding plan. What comes back to the House therefore will in all likelihood not have a defunding measure. At that point the real fight will occur: Can the GOP leadership get 218 votes to keep the government running and then pivot to the debt/Obamacare showdown?

Then the familiar drill will repeat itself. The White House will press for closed door negotiations. The House will insist on regular order. And then we are back to a three-sided face-off and a real test for Senate Dems. Will they stick by the “no changes on Obamacare” edict from the White House or will there be a deal in there.

The country’s credit rating is a tough bargaining chip to play since neither side wants to use it. But the president’s desperation to get rid of the sequester is an actual point of leverage for the GOP. What can Republicans get for it? Ideally, a delay in Obamacare, but maybe they could at least snag a real down payment on entitlement reform or a domestic development energy bill.

**Perception is key—Obama has a perceived willingness to compromise**

**Langer, 9/18/13** (“Public Splits on Debt Limit Even with Fears of Damage” ABC News,

http://abcnews.go.com/blogs/politics/2013/09/public-splits-on-debt-limit-even-with-fears-of-damage/)

COMPROMISE – Mixed emotions on the debt are reflected in sharply divided trust to handle the issue: Forty-three percent of Americans prefer Barack Obama’s approach, while 40 percent hold greater trust in the Republicans in Congress, with typical partisan and ideological divisions.

That said, Obama has the upper hand on another measure, **perceived willingness to compromise.** While 49 percent of Americans say Obama’s doing “too little” to compromise with Republican leaders in Congress on a budget plan, far more, 64 percent, say the Republicans are doing too little to compromise with Obama.

The difference is largely among political independents. Fifty-five percent of them say Obama is doing too little to compromise – but 72 percent say that about Republican leaders. The GOP, though, also has comparative trouble in its base. Among self-identified Republicans, 43 percent say their own party is doing too little to compromise. Just half as many Democrats say that about Obama.

The president may be seeking to **press his advantage in perceived willingness to compromise** vs. Republican leaders. At a speech today before the Business Roundtable, he reiterated that raising the debt ceiling is non-negotiable and accused the GOP of using the debt ceiling to “extort” concessions on “issues that have nothing to do with the budget and nothing to do with the debt.”

## at: syria

**Low PC is not no PC – Obama is prioritizing the fiscal issues and deferring other controversial issues to save PC**

**Cassidy, 9/16/13** (John, “SUMMERS AND OBAMA ACCEPT THE INEVITABLE” The New Yorker, http://www.newyorker.com/online/blogs/johncassidy/2013/09/summers-and-obama-accept-the-inevitable.html)

In recent weeks, numerous stories appeared that quoted White House and Treasury Department insiders saying how much the President respected Summers, who served as his senior economic advisor from the start of 2009 to the end of 2010, and how much he valued his advice. But we already knew that. The key question was never how much Obama admired Summers, but how much political capital he would be willing to invest in landing him at the Fed. If you looked at the issue in terms of cold political calculus, which is how Presidential aides look at most things, it was pretty clear which way the cost-benefit analysis would come out.

If Obama had been flying high, with a tight grip on Congress, it’s conceivable that he would have decided to nominate Summers and be damned. But he was hardly reaching a determination about the Fed job from a position of strength. His approval ratings are sagging, and he is about to enter another season of squabbling with Congressional Republicans over the budget, funding Obamacare, and the debt ceiling. In such circumstances, the last thing that the President needed was a bitter nomination fight in the Senate, especially one in which the liberal wing of his party, which is virtually united against a Summers nomination, was on the opposing side.

**And it no longer effects his capital**

**Bohan, 9/11** (Caren, 9/11/2013, “Delay in Syria vote frees Obama to shift to hefty domestic agenda,” http://www.reuters.com/article/2013/09/11/usa-obama-agenda-idUSL2N0H716N20130911))

WASHINGTON, Sept 11 (Reuters) - Putting off a decision on military strikes on Syria allows President Barack Obama to shift his attention back to a weighty domestic agenda for the fall that includes budget fights, immigration and selecting a new chairman of the Federal Reserve.

Obama and his aides have immersed themselves for a week and a half in an intensive effort to win support in Congress for U.S. military action in Syria after a suspected chemical weapons attack last month killed more than 1,400 people.

But the effort, which included meetings by Obama on Capitol Hill on Tuesday followed by his televised speech to Americans, seemed headed for an embarrassing defeat, with large numbers of both Democrats and Republicans expressing opposition.

The push for a vote on Syria - which has now been delayed - had threatened to crowd out the busy legislative agenda for the final three months of 2013 and drain Obama's political clout, making it harder for him to press his priorities.

But analysts said a proposal floated by Russia, which the Obama administration is now exploring, to place Syria's weapons under international control may allow Obama to emerge from a difficult dilemma with **minimal political damage**.

"He dodges a tough political situation this way," said John Pitney, professor of politics at Claremont McKenna College in California.

Pitney said the delay in the Syria vote removes a big burden for Obama, given that Americans, who overwhelmingly opposed military intervention in Syria, will now be able to shift their attention to other matters.

He said Obama could suffer some weakening of his leverage with Congress. The administration's "full court press" to try to persuade lawmakers to approve military force on Syria was heavily criticized and did not yield much success.

"He probably has suffered some damage in Congress because there are probably many people on (Capitol Hill) who have increasing doubts about the basic competence of the administration and that's a disadvantage in any kind of negotiation," Pitney said.

## Embargo specific

#### Even unilateral Executive-branch carve-outs to the embargo cause a political firestorm

NYT 12 – “Easing of Restraints in Cuba Renews Debate on U.S. Embargo,” 11/19/12, http://www.nytimes.com/2012/11/20/world/americas/changes-in-cuba-create-support-for-easing-embargo.html?pagewanted=all&\_r=0&pagewanted=print

In Washington, Mr. Gross is seen as the main impediment to an easing of the embargo, but there are also limits to what the president could do without Congressional action. The 1992 Cuban Democracy Act conditioned the waiving of sanctions on the introduction of democratic changes inside Cuba. The 1996 Helms-Burton Act also requires that the embargo remain until Cuba has a transitional or democratically elected government. Obama administration officials say they have not given up, and could move if the president decides to act on his own. Officials say that under the Treasury Department’s licensing and regulation-writing authority, there is room for significant modification. Following the legal logic of Mr. Obama’s changes in 2009, further expansions in travel are possible along with new allowances for investment or imports and exports, especially if narrowly applied to Cuban businesses. ¶ Even these adjustments — which could also include travel for all Americans and looser rules for ships engaged in trade with Cuba, according to a legal analysis commissioned by the Cuba Study Group — would probably mean a fierce political fight. The handful of Cuban-Americans in Congress for whom the embargo is sacred oppose looser rules.¶ When asked about Cuban entrepreneurs who are seeking more American support, Representative Ileana Ros-Lehtinen, the Florida Republican who is chairwoman of the House Foreign Relations Committee, proposed an even tighter embargo.

#### Blame still gets tied back to Obama- 5 warrants

Weaver 13 (Kent, Professor at Georgetown University and a Senior Fellow in Governance Studies at the Brookings Institution, “Policy Leadership and the Blame Trap:

Seven Strategies for Avoiding Policy Stalemate”, March 2013 http://www.brookings.edu/~/media/research/files/papers/2013/3/29%20policy%20leadership%20blame%20weaver/weaverpolicy%20leadership%20and%20the%20blame%20trapv5032813.pdf\\CLans)

In a period when hyper-partisanship, close partisan competition, divided government, strong incentives for blame-generating, and a proliferation of blame generators have become the “new normal” in Washington, there are no simple one-size-fits-all solutions to side-step the blame trap and avoid policy stalemate. Ultimately, however, the blame trap will continue to bedevil policymakers in Washington so long as they continue to believe any or all of the following: (1) the status quo is better than any compromise that is likely to be acceptable to their partisan opponents, (2) any sign of deviation from policy principle weakens your own bargaining position, (3) political and policy opponents can be bullied or blamed into accepting a position that is closer to your own position, (4) better policy terms are likely to be available after the next election, or the one after that, or the one after that, and (5) policy compromise that reduces potential openings for future blame-generating is not worth the political opportunity cost. So long as these beliefs remain dominant among American politicians, incentives for compromise remain weak, and successful initiatives to dodge the blame trap and avoid policy stalemate will be the exception rather than the rule.

## winners win

#### Winners don’t win, several reasons –

#### b) Obama cannot win – legislative wins don’t spillover

\*prefer Obama specific evidence – even if other presidents are able to regenerate capital quickly, Obama cannot – every time Obama allocates political capital on unpopular legislation it turns into a journalistic convention of pointing fingers – makes it impossible to get legislation through

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As Barack Obama prepares to be sworn in for the second time as president of the United States, he faces the stark reality that **little of what he hopes to accomplish** in a second term **will** likely **come to pass**. Mr. Obama occupies an office that many assume to be all powerful, but like so many of his recent predecessors, the president knows better. He faces a political capital problem and a power trap.¶ In the post-1960s American political system, presidents have found the exercise of effective leadership a difficult task. To lead well, a president needs support — or at least permission — from federal courts and Congress; steady allegiance from public opinion and fellow partisans in the electorate; backing from powerful, entrenched interest groups; and accordance with contemporary public opinion about the proper size and scope of government. This is a long list of requirements. If presidents fail to satisfy these requirements, they face the prospect of inadequate political support or political capital to back their power assertions.¶ What was so crucial about the 1960s? We can trace so much of what defines contemporary politics to trends that emerged then. Americans' confidence in government began a precipitous decline as the tumult and tragedies of the 1960s gave way to the scandals and economic uncertainties of the 1970s. Long-standing party coalitions began to fray as the New Deal coalition, which had elected Franklin Roosevelt to four terms and made Democrats the indisputable majority party, faded into history. The election of Richard Nixon in 1968 marked the beginning of an unprecedented era of divided government. Finally, the two parties began ideologically divergent journeys that resulted in intense polarization in Congress, diminishing the possibility of bipartisan compromise. These changes, combined with the growing influence of money and interest groups and the steady "thickening" of the federal bureaucracy, introduced significant challenges to presidential leadership.¶ Political capital can best be understood as a combination of the president's party support in Congress, public approval of his job performance, and the president's electoral victory margin. The components of political capital are central to the fate of presidencies. It is difficult to claim warrants for leadership in an era when job approval, congressional support and partisan affiliation provide less backing for a president than in times past. In recent years, **presidents' political capital has shrunk while their power assertions have grown,** making the president a volatile player in the national political system.¶ Jimmy Carter and George H.W. Bush joined the small ranks of incumbents defeated while seeking a second term. Ronald Reagan was elected in two landslides, yet his most successful year for domestic policy was his first year in office. Bill Clinton was twice elected by a comfortable margin, but with less than majority support, and despite a strong economy during his second term, his greatest legislative successes came during his first year with the passage of a controversial but crucial budget bill, the Family and Medical Leave Act, and the North American Free Trade Agreement. George W. Bush won election in 2000 having lost the popular vote, and though his impact on national security policy after the Sept. 11 attacks was far reaching, his greatest domestic policy successes came during 2001. Ambitious plans for Social Security reform, following his narrow re-election in 2004, went nowhere.¶ Faced with obstacles to successful leadership, recent presidents have come to rely more on their formal powers. The number of important executive orders has increased significantly since the 1960s, as have the issuance of presidential signing statements. Both are used by presidents in an attempt to shape and direct policy on their terms. Presidents have had to rely more on recess appointments as well, appointing individuals to important positions during a congressional recess (even a weekend recess) to avoid delays and obstruction often encountered in the Senate. Such power assertions typically elicit close media scrutiny and often further erode political capital.¶ Barack Obama's election in 2008 seemed to signal a change. Mr. Obama's popular vote majority was the largest for any president since 1988, and he was the first Democrat to clear the 50 percent mark since Lyndon Johnson. The president initially enjoyed strong public approval and, with a Democratic Congress, was able to produce an impressive string of legislative accomplishments during his first year and early into his second, capped by enactment of the Patient Protection and Affordable Care Act. But with each legislative battle and success, his political capital waned. His impressive successes with Congress in 2009 and 2010 were accompanied by a shift in the public mood against him, evident in the rise of the tea party movement, the collapse in his approval rating, and the large GOP gains in the 2010 elections, which brought a return to divided government.¶ By mid-2011, Mr. Obama's job approval had slipped well below its initial levels, and Congress was proving increasingly intransigent. In the face of declining public support and rising congressional opposition, Mr. Obama, like his predecessors, looked to the energetic use of executive power. In 2012, the president relied on executive discretion and legal ambiguity to allow homeowners to more easily refinance federally backed mortgages, to help veterans find employment and to make it easier for college graduates to consolidate federal student loan debt. He issued several executive orders effecting change in the nation's enforcement of existing immigration laws. He used an executive order to authorize the Department of Education to grant states waivers from the requirements of the No Child Left Behind Act — though the enacting legislation makes no accommodation for such waivers. Contrary to the outcry from partisan opponents, Mr. Obama's actions were hardly unprecedented or imperial. Rather, they represented a rather typical power assertion from a contemporary president.¶ Many looked to the 2012 election as a means to break present trends. But Barack Obama's narrow re-election victory, coupled with the re-election of a somewhat-diminished Republican majority House and Democratic majority Senate, hardly signals a grand resurgence of his political capital. The president's recent issuance of multiple executive orders to deal with the issue of gun violence is further evidence of his power trap. Faced with the likelihood of legislative defeat in Congress, the president must rely on claims of unilateral power. But such claims are not without limit or cost and will likely further erode his political capital.¶ Only by solving the problem of political capital is a president likely to avoid a power trap. **Presidents** in recent years **have been unable to prevent their political capital from eroding**. When it did, their power assertions often got them into further political trouble. Through leveraging public support, presidents have at times been able to overcome contemporary leadership challenges by adopting as their own issues that the public already supports. Bill Clinton's centrist "triangulation" and George W. Bush's careful issue selection early in his presidency allowed them to secure important policy changes — in Mr. Clinton's case, welfare reform and budget balance, in Mr. Bush's tax cuts and education reform — that at the time received popular approval.¶ However, short-term legislative strategies may win policy success for a president but do not serve as an antidote to declining **p**olitical **c**apital over time, as the difficult final years of both the Bill Clinton and George W. Bush presidencies demonstrate. None of Barack Obama's recent predecessors solved the political capital problem or avoided the power trap. It is the central political challenge confronted by modern presidents and one that will likely weigh heavily on the current president's mind today as he takes his second oath of office.

#### 4). systemic consequences

**Schwarcz, 8/14/13** – professor of law at Duke, founding director of the Duke Global Capital Markets Center (Steven, “Rollover Risk: Ideating a U.S. Debt Default” SSRN)

A U.S. debt default153 would also have both microeconomic and macroeconomic, or systemic,154 consequences. Observers have argued that a default would likely result in stocks, bonds, and the dollar “plummet[ing] in the immediate aftermath.”155 Credit markets would likely freeze,156 harming both companies and consumers.157 The downgrading of credit ratings on U.S. debt would also make it much more difficult and expensive for the country to borrow.158

Even a mere “technical” default, caused by illiquidity, could harm the real economy.159 The 1979 debt defaults, which were temporarily caused by a federal debt ceiling limit on new borrowings,160 resulted in a 60 basis point increase in the interest rate on Treasury bills161—an increase that appears to be permanent.162 Such a rate increase could also increase the cost of private borrowings. Treasury Secretary Timothy Geithner has observed, for example, that a U.S. debt default would “raise all borrowing costs”163 because “US Treasuries set the benchmark borrowing rate” for private loans.164

Investment bank J.P. Morgan recently issued a report updating the potential economic impact of a technical default. The report assumes that the United States temporarily misses an interest or principal payment on its debt.165 Even if this temporary default does not reflect an actual deterioration of U.S. solvency, it still would “almost certainly have large systemic effects with long-term adverse consequences for Treasury finances and the U.S. economy.”166 At a minimum, the United States would likely see a one percent reduction in gross domestic product (GDP) due to higher interest rates and a likely equity selloff.167 Even worse, the report concluded, the default also “could leave lasting damage in its wake due to a permanent decline in foreign demand [for U.S. Treasury securities], which will likely lead to [continuing] higher borrowing costs and larger deficits.”168