**Venezuela Engagement Negative**

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### Summary

Case arguments for the Venezuela Affirmative have been divided by advantage area.

Stability Advantage Answers: Arguments include: Venezuela is stable now. The economy, government and oil production are all functioning now. International investment is pouring into oil industry now. Venezuela’s economy has multiple other problems besides lack of investment in the oil industry, In addition, there are defensive arguments to each of the impacts of the advantage.

Oil Shocks Add-On: Three arguments- Venezuela won’t cut off the United States from oil; loss of Venezuela’s oil won’t affect the United States, and oil shocks don’t impact the larger economy

Relations Add-On: Arguments include relations are resilient between the United States and Venezuela and Latin America, Relations with Latin America are low for a number of other reasons, finally an offensive argument that investments in Venezuela will hurt relations with Latin America as it appears the US is trying to buy off poorer countries.

Solvency Arguments: A set of Appeasement arguments challenge the fundamental thesis of the affirmative that engaging the government of Venezuela is the best way to influence policy there. Appeasement instead argues that engaging with the government will result in supporting an anti-democratic government who actively opposes the United States. Venezuela will take the gift of oil investment from the United States and then turn around and do all of the bad things the affirmative worries about. However, more likely, Venezuela will not even accept our assistance. The government is based in Anti-US policy and would not take a hand out from the United States. Finally, getting new oil production online in Venezuela will take a very long time.

### Glossary

Appeasement - to bring to a state of peace or quiet

Bolivars- the money issued by the Venezuelan government

Caracas- capital city of Venezuela

Cartel - A combination of independent business organizations formed to regulate production, pricing, and marketing of goods by the members.

Hardliner - a person who is reluctant to accept changes and new ideas

### Venezuela Economy is Stable

#### [ ] Venezuela is not on the verge of collapse-- economy is stabilizing now

Rindebro, analyst for BN Americas,2013

(Ulric, “Venezuela's Maduro showing signs of more moderate course” 6/20, [http://www.bnamericas.com/news/banking/venezuelas-maduro-showing-signs-of-more-moderate-course][MG]

Two months into his administration, Venezuelan President Nicolás Maduro is giving signs of pursuing a much more moderate course for Venezuelan policies than that of the late and former President Hugo Chávez, said Bank of America Merrill Lynch in a report. "These signs are particularly evident in economic and foreign policy, although they are also beginning to emerge in the domestic policy arena," said BofA Merrill Lynch. Greater policy moderation reduces policy uncertainty and implies a greater degree of security of property rights, including those of bondholders, the US investment bank noted. "In the meantime, the government has continued to implement a drastic macroeconomic adjustment program through spending and import cuts. It has also begun to reduce subsidized loans to other countries. These decisions significantly strengthen the country's capacity to service debt obligations," the report reads. The investment bank also states that economic policy appears to be firmly under the control of pragmatist finance minister Nelson Merentes, who has made a point of frequently meeting with private sector representatives and international investors. Economic policies in Venezuela are far from optimal, but at least there is a strong indication that the government "cares about its relationship with the private sector, in sharp contrast to the generalized perception during the Chávez years."

### Oil Production Stable

#### [ ] New investment now that will boost oil production, there is no need for the spending of the plan.

UPI, 2013

(5/30/2013, “Chevron, PDVSA shoot for higher production,” <http://www.upi.com/Business_News/Energy-Resources/2013/05/30/Chevron-PDVSA-shoot-for-higher-production/UPI-86761369912958/>, JMP)

WASHINGTON, May 30 (UPI) -- A $2 billion investment in onshore oil developments in Venezuela will help a recovery in production levels, Venezuelan Oil Minister Rafael Ramirez said.

The Venezuelan Embassy in Washington said U.S. supermajor Chevron committed to a $2 billion investment in a joint venture with state oil company Petroleos de Venezuela, known also as PDVSA.

The investments target joint venture Petroboscan, formed to operate the Boscon oil field in western Venezuela.

Ramirez described the commitment as "an excellent arrangement for all of our joint ventures."

Ramirez is president of PDVSA. His country has some of the largest oil deposits in the world, leading the Organization of the Petroleum Exporting Countries.

Ramirez said the joint venture between Chevron and PDVSA aims to increase oil production at Boscon from 107,000 barrels of oil per day to 127,000 bpd. The financing is part of an overall initiative by PDVSA to increase oil production by more than 60 percent to 6 million bpd by 2019.

"With this financing, we're going to recover production and then work to take maximum advantage of the remaining reserves," Ramirez said.

### Government stable now

#### [ ] The coup isn’t a threat, Chavez party will retain power.

Bilbao, director of the magazine América XXI, 2013

(Luis, “Venezuela: Coup attempt defeated by counter-coup 'All must engage in this battle' Luis Bilbao is, and was a founding participant of the PSUV. Combined translation by Gloria La Riva, Miguel Hoffman and Machetera, 5/13. http://www.pslweb.org/liberationnews/news/venezuela-coup-attempt.html)

Despite the escalation, the general situation is normal. And Maduro is in energetic official activity, taking advantage of every occasion to exemplify the attitude of firmness against the extortionist threat of a coup. He announced that a national march planned by the opposition for April “will not enter Caracas. We will not allow another April 11 [the day a march and violence by the right-wing was organized as a prelude to the April 11, 2002, military coup].” Maduro added that the opposition is in a situation from which it is unable to extricate itself. There are three governors of the opposition who, if they continue with the position adopted by the ultra-rightwing command, will find themselves facing a direct response: “I do not recognize a governor who does not recognize me; I do not recognize a coup governor. The budget they receive I will give to the people.” Maduro also denounced the United States government as responsible for the escalation toward a coup and said that proof of its direct involvement through the local fascist leadership will be forthcoming. Defeated once more, the imperialist conspiracy will continue. It is the task of every revolutionary in the world to contribute to the building of a very broad front in defense of the Bolivarian Socialist Revolution. This is where the correlation of forces will be determined, between the United States, and the peoples and governments seeking to liberate themselves from its oppression. All must engage in this battle.

#### [ ] Maduro is moderating to attract foreign investment now.

Rindebro, analyst for BN Americas,2013

(Ulric, “Venezuela's Maduro showing signs of more moderate course” 6/20, [http://www.bnamericas.com/news/banking/venezuelas-maduro-showing-signs-of-more-moderate-course][MG]

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NO NEW EXPROPRIATIONS AND POTENTIAL NEW FOREIGN FRIENDS BofA Merrill Lynch adds to its case for a more positive view on Venezuela that no prominent expropriations have been reported during the six month period in which Maduro has been in charge of the government. During his 14 years in office, Chávez oversaw the expropriation of no less than 1,600 firms, according to estimates from the private sector industry chamber Conindustria. Also in contrast to his mentor (Chávez), Maduro has recently visited countries that are not known to be strong allies of Venezuela, like Portugal, Italy, France and even the Vatican. BofA Merrill Lynch also points to the constructive meeting earlier this month between Venezuelan foreign minister Elias Jaua and his US counterpart John Kerry, which was the first such meeting in more than eight years. This meeting is expected to eventually lead to the countries once again sending ambassadors to their respective capitals.

### Oil Investment Now

#### [ ] Market pressures will solve the case. Venezuela will be forced to seek international investment to save oil industry.

González and Vyas, 2013

( Angel and Kejal, “Unlocking Venezuela’s vast energy potential; Revival of the country’s oil sector post-Chávez on standby,” 4/4/2013, [http://www.businesswithoutborders.com/topics/ opportunities/unlocking-venezuelas-vast-energy-potential/](http://www.businesswithoutborders.com/topics/%20opportunities/unlocking-venezuelas-vast-energy-potential/))

But declining oil output and rising shale-oil production in the U.S., Venezuela’s main market, may force a redirection. Barring any new political or military shocks in the Middle East, global oil prices look like “a balloon with a slow leak,” said Amy Myers Jaffe, executive director for energy and sustainability at the University of California-Davis. The Venezuelan government can’t count on high oil prices to match rising public spending, she added.

Anticapitalist rhetoric heated up in the days leading to Mr. Chávez’s death. Venezuelan Acting President Nicolás Maduro accused Chevron Corp., the No. 2 U.S. oil company by market value behind Exxon, of aggression against Ecuador in a multibillion-dollar environmental lawsuit pitting the company against Ecuadorean plaintiffs.

Analysts said they were surprised by the comments, as Chevron, the only major U.S. oil company to remain in Venezuela, was considered by Mr. Chávez as a key investor, and is lending Venezuela $2 billion to increase output at a joint-venture oil development. A spokesman for Chevron declined to comment on Mr. Maduro’s assertion.

Despite the posturing, Mr. Chávez’s death presents an opportunity for a new administration to lift some of the burdens heaped on PDVSA, which has supplied billions of dollars in cheap oil to Cuba and other friendly foreign governments, said Carlos Jordá, a Houston-based oil consultant who was once a senior manager at the oil company.

To reach its full potential, Venezuela´s entire oil industry sector needs to be reinvented, something that is unlikely, said Luis Pacheco, a former PDVSA executive fired during the oil strike of 2003 along with 20,000 other employees who opposed Mr. Chávez.

In 2000, Mr. Chávez signed its first oil deal with Cuba, providing the communist island with 53,000 barrels a day of cut-rate oil, a sum that has risen to 110,000 barrels now. In return, the Cuban government has sent some 40,000 doctors and experts to support the popular social programs developed by Mr. Chávez.

Mr. Jordá, who called those oil deals unsustainable, said that domestic fuel prices, the world’s lowest at around 6 cents a gallon, will also have to rise at some point. The cost to the country of the domestic fuel subsidies has also increased because refinery accidents forced the government to import growing quantities of gasoline, according to the EIA. The Venezuelan government denies it imports fuel.

Worsening fiscal conditions will also prompt Mr. Chávez’s successors to improve relations with foreign investors—and eliminate bottlenecks created by the deceased leader’s highly-personal, hands-on management style, said Jim Loftis, a partner with Vinson & Elkins LLC’s international arbitration practice.

The country also needs to increase oil production to pay for tens of billions of dollars in Chinese loans it undertook to finance large social projects and a big boost in election spending last year.

### Venezuela Economy- Alternate Causality

#### [ ] Economic problems due to government monetary policy and deep subsidies. Maduro cannot reform these programs.

Nagel, Professor of Economics at the Universidad de los Andes, 2013

(Juan, “Why is the Venezuelan economy Nicolás Maduro’s weakness?”, <http://www.americasquarterly.org/content/why-venezuelan-economy-nicol%C3%A1s-maduro%E2%80%99s-weakness>, April 16)

In a time of high commodity prices, why is one of the world’s top oil exporters facing such dire straits?

A lot of it has to do with Hugo Chávez’s socialist legacy.

For years, Venezuela has had a fixed exchange-rate regime. The Chávez administration, eager to control every aspect of life in Venezuela, decided who got how many dollars, and at what prices. Currently, the fixed exchange rate is 6.3 bolívars (BsF) per dollar. A parallel “auction” system is selling dollars at BsF 12, and the black-market rate currently hovers around BsF 23 per dollar.

These deep distortions are the reason why Venezuelans are suffering some of their worst shortages in years. Long accustomed to subsidized greenbacks for importing nearly everything, Venezuelans now find dollars harder to come by. However, the government has other priorities: oil production is stuck or declining, and with the nation’s refineries in bad shape, Venezuela needs to import refined products such as gasoline, which the government practically gives away for free.

Importers lucky enough to access dollars at the BsF 6.3 rate find it very tempting to sell the same dollars at the black market rate instead of using them for their intended use—importing basic staples. That is one of the main reasons why Venezuelans´ shelves are empty.

Untangling this economic crisis will require the skills of a deft politician—something Maduro clearly is not. Likewise, doing away with the regressive gasoline subsidies that threaten to bring down the state’s finances will require a national consensus that seems impossible right now. Meanwhile, generating enough confidence to spruce up private investment is simply not in the cards for Venezuela.

Mr. Maduro is likely to find that Mr. Capriles and the pot-banging opposition are the least of his problems.

### Venezuela Economy- Alternate Causality- Extension

#### [ ]

#### [ ] Venezuelan economic instability inevitable

Lees , editor of the comparative politics blog, Suffragio.org , 2013

[April 15, 2013. Kevin Lees is an attorney in Washington, D.C., and the. “Venezuela's Controversial Election Results Are Only the Start of Its Troubles” The New Republic. [http://www.newrepublic.com/article/112920/venezuela-elections-2013-close-results-are-defeat-chavismo#](http://www.newrepublic.com/article/112920/venezuela-elections-2013-close-results-are-defeat-chavismo)]

Meanwhile, the more acute economic problems continue, and may well accelerate, given that government policy for the past six months has been designed merely to get Maduro to the finish line of Sunday's election. Venezuela remains one of the few countries that still sets an official currency, and it devalued the bolívar in February by nearly one-third of its value to 6.3 bolívares to the dollar. Only chumps pay that, though. Not even the government pays it anymore, in fact. In a move to get more dollars into the hands of Venezuelan importers, the government last month created a new auction system for dispersing dollars, and although it hasn't released the price, it's reported that the government paid a rate of between 10 to 15 bolívares per dollar, making it a sort of second unofficial devaluation. There's a floating rate for dollars, and it's rumored to be up to three or four times the official rate. No one openly discusses it because that's technically illegal, but any number of Twitter accounts announce the going market rate—one favorite, until March, stated the price of "fresh avocados," and another stated the price of "green lettuce." The "green lettuce" people actually got into the scam of trading dollars themselves, until they disappeared in March, their racket exposed as a Ponzi scheme. It also makes changing U.S. dollars—or euros or Canadian dollars—into local currency quite an adventure, and it's one of the reasons why a tropical paradise that boasts the highest waterfall in the world is one of the world's least friendly tourist destinations. But it's even more tragic for a country where day-to-day life has grown increasingly dependent upon imports for basic staples, even fresh produce and refined oil products. Keeping the official rate so high has been a way for the government to subsidize dollars—the cheapest dollars went to the insiders who won the auctions and who could sell the dollars on the black market for a quick profit. So as demand for imports rise, the dollar system has exacerbated shortages in supermarkets, which have become more commonplace. In the short run, the devaluations have been great for the government in two regards. First, they get more bolívares in the treasury as the official rate slowly moves toward the market rate. But it also reduces the country's growing public debt—the International Monetary Fund estimates Venezuela's debt (including the debts of PDVSA, the state-owned oil company) at around 51 percent of GDP. In the run-up to last year's presidential election, Chávez ran a budget deficit of up to 17 percent of GDP, much of it financed by China. But China's now starting to balk at lending more to Venezuela, and it's widely believed that the devaluation followed China's decision to cut off Venezuela's credit. But despite the immediate gains, devaluation looks like a painful long-run solution. The inflation rate, which was already high (22 percent last year), is expected to get even worse. During the campaign, both Maduro and Capriles promised to raise the minimum wage by 40 percent, which could raise prices even more, threatening to cause inflation to spiral out of control.

### Answers to: Iran Venezuela Alliance

#### [ ]

#### [ ] Iran doesn’t have sinister activities in Venezuela.

Goodman, Reporter on Latin America for Bloomberg, 2013

(Joshua , Internally citing a report from the US State Department – “Iran’s Influence Waning in Latin America, State Department Says” – Bloomberg News – June 26th – http://www.businessweek.com/news/2013-06-26/iran-s-influence-waning-in-latin-america-state-department-says)

The U.S. stepped up its monitoring of Iran’s presence in Latin America in a bid to isolate the country over its nuclear program and after President Mahmoud Ahmadinejad forged closer ties with anti-American allies of the late Venezuelan President Hugo Chavez. While Iran’s outreach bears watching, claims about more sinister activities are unproven, said Christopher Sabatini, senior policy director at the Council of the Americas.¶ “It’s a shame that in such a dynamic hemisphere in which we have so many diplomatic initiatives that for some -- especially Congress -- attention to the region has boiled down to mostly spurious charges about Iranian infiltration,” Sabatini said via e-mail.¶ Ahmadinejad made repeated trips to Latin America after taking office in 2005, most recently to Caracas to attend Chavez’s funeral in March and the inauguration of his successor, Nicolas Maduro, a month later.

### Answers to: Cartel-Venezuela Alliance

#### [ ]

#### [ ] Venezuelan government is already deeply ingrained with the drug trade, engagement only props up these officials.

Noriega, fellow at the American Enterprise Institute, , 2013

(Roger, “Why is the State Department obsessed with legitimizing the Venezuelan narco-state?”, 6-14 <http://www.aei-ideas.org/2013/06/why-is-the-state-department-obsessed-with-legitimizing-the-venezuelan-narco-state/>)

Although President Obama has refused to recognize the legitimacy of Venezuelan strongman Nicolás Maduro, the career diplomat who handles Latin American affairs seems to be convinced that holding talks with representatives of the Venezuelan narcostate is the right way to promote our values and interests in the region – despite the fact that such a dialogue bestows de facto recognition on an undemocratic, criminal regime.

The charge d’affaires of Venezuela in Washington and staunch critic of the United States, Calixto Ortega, revealed recently that a meeting had been scheduled with Assistant Secretary Roberta Jacobson to improve relations between the two countries. Ironically, Ortega has been one of the most intransigent inquisitors against the democratic opposition in Venezuela. And now he is Ms. Jacobson’s new best friend.

That the State Department accepted the appointment of Ortega as Venezuela’s envoy in Washington is disgraceful and inconsistent with what President Obama has expressed publicly. But one wonders, how are our economic interests with petroleum-rich Venezuela advanced by a dialogue with the regime that has politicized, looted, and bankrupted the Venezuelan state oil company, PDVSA? How are our concerns about terrorism addressed by throwing a lifeline to the best friend of Iran and Hezbollah in the Americas? How will these clever US diplomats advance our counternarcotics agenda with a state whose senior security officials have been implicated personally and directly in narcotrafficking by US authorities?

### Answers to: Drug Trafficking Impact

#### [ ]

#### [ ] US Venezuela cooperation won’t solve drug trafficking—it’s too embedded

Washington Post , 2013

(“Venezuela gets a lifeline from the United States” 6/11/2013, http://articles.washingtonpost.com/2013-06-11/opinions/39896975\_1\_henrique-capriles-two-u-s-military-attaches-regional-group-unasur)

What did Mr. Maduro do to earn this assistance from Mr. Kerry? Since Mr. Chávez’s death in March, the Venezuelan leader has repeatedly used the United States as a foil. He expelled two U.S. military attaches posted at the embassy in Caracas, claiming that they were trying to destabilize the country; he claimed the CIA was provoking violence in order to justify an invasion; and he called President Obama “the big boss of the devils.” A U.S. filmmaker, Timothy Tracy, was arrested and charged with plotting against the government — a ludicrous allegation that was backed with no evidence. Though Mr. Tracy was put on a plane to Miami on the day of the Kerry-Jaua encounter, Mr. Kerry agreed to the meeting before that gesture. There’s nothing wrong, in principle, with diplomatic meetings or even in dispatching an ambassador to a country such as Venezuela. The State Department has also been meeting with senior opposition leaders and has yet to say it recognizes the presidential election results. But Mr. Kerry’s words amounted to a precious endorsement for Mr. Maduro — and the Obama administration appears bent on cultivating him regardless of his actions. Perhaps the increasingly desperate new leader has secretly promised concessions to Washington on matters such as drug trafficking. But with senior government and military officials involved in the transhipment of cocaine to the United States and Europe, he is unlikely to deliver. In short, this looks like a reset for the sake of reset, launched without regard for good timing or the cause of Venezuelan democracy.

### Venezuela won’t cut US off

#### [ ]

#### [ ] Venezuela won’t cut off the U.S. --- leverage is declining and it is importing U.S. gasoline

Financial Times, 2012

(Javier Blas, “US net imports of Venezuelan oil hit 30-year low,” 12/13/2012, <http://www.ft.com/intl/cms/s/0/5ef9e0fa-44f8-11e2-858f-00144feabdc0.html>, JMP)

Not so long ago, Hugo Chávez, the leftist Venezuelan leader, almost every month would threaten the US that he would shut down his country’s oil exports. Each time, Washington took the threats seriously because of the importance of Caracas for US energy supplies.

Not any longer. The US dependence of Venezuelan net crude and oil products exports (including the US Virgin Islands, which largely refined Venezuelan crude to export into the US) has dropped to levels last seen nearly 30 years ago.

The sharp drop is due to three factors. Overall US oil imports are down on the back of the shale boom. In addition, the closure of a large refinery in the US Virgin Islands co-owned by Petróleos de Venezuela (Pdvsa) has further reduced imports of Venezuelan-origin oil products. And more recently, Venezuela has started to import large amounts of US-made gasoline to offset a local shortage.

The reduction in US imports of Venezuelan-origin crude and oil products has been going on for the last five years. The new factor is the surge in US exports of oil products into Venezuela. In September, US refiners shipped a record of 196,000 b/d of gasoline and other oil products to Caracas.

The International Energy Agency, the western countries’ oil watchdog, associates the surge in US exports to outages in Amuay and El Palito refineries in Venezuela.

The Amuay plant, part of the 955,000 b/d giant Paraguana Refining Center – the world’s second largest after the Jamnagar refinery in India – suffered an explosion and fire in August that killed nearly 50 people and injured more than 150. Although Caracas has said several times the refinery is returning to full production, the surge in oil products from the US suggests the contrary.

The jump in US gasoline exports to Venezuela means that for each 10 barrels of crude that Caracas ships to the US, two return to Venezuela as products. The US oil product exports accounted in September for roughly 20 per cent of Venezuelan domestic oil consumption of about 1m b/d.

The combination of lower Venezuelan oil exports – both from the country itself and the US Virgin Islands – and higher US gasoline exports reduced in June US net imports of Venezuelan-origin oil to 685,000 barrels a day, the lowest since March 1984, according to Financial Times’ estimates based on data from the US Energy Information Administration. US net imports of Venezuelan-origin oil recovered a bit in September – the last data available –, reaching 839,000 b/d.

Mr Chávez, who is undergoing cancer treatment in Cuba, may threaten an oil embargo in the future, as he did during the recent presidential elections. But his menace will no longer worry Washington.

### Venezuelan Oil cut off has no effect on United States

#### [ ]

#### [ ] No impact to oil cut off from Venezuela. The international market can easily meet US demand.

Laten, Analyst at Center for Strategic and International Studies, 2010

(Grant, “Venezuelan Oil Embargo Wouldn’t Impact American Energy Security,” 8/3, <http://csis.org/blog/venezuelan-oil-embargo-wouldn%E2%80%99t-impact-american-energy-security>)

Should Venezuela cut off oil exports to the United States, the American market would need to replace roughly one million barrels per day. Propitiously, current supply and demand conditions are such that the market could easily adjust to prevent significant economic or political disruptions. With a daily surplus of roughly five million barrels, the worldwide oil market vis-à-vis OPEC (which does not participate in member countries’ embargos) is more than capable of replacing Venezuelan exports to the US. This is especially true because spot demand for oil is zero-sum, meaning that with one million extra barrels of Venezuelan oil flowing into the Chinese market daily, China would need to purchase one million fewer barrels on the world market. This would free up supply for the United States and maintain the five million barrel surplus, since global oil production and consumption would remain unchanged (PDVSA market adaptation issues notwithstanding).

### No economic impact of oil shocks

####  [ ] No shocks---macroeconomic policy and fundamental rebalancing of the global economy shield against them

Decressin, Senior Advisor in the IMF's Research Department, 2012

(Jorg, "Global Economy Learns to Absorb Oil Price Hikes" May 25 2012 http://www.imf.org/external/pubs/ft/survey/so/2012/NUM052512A.htm)

Despite a fourfold increase in oil prices over the past decade, the world has absorbed the price hikes with relatively little disruption due to fundamental changes in the workings of the global economy, and the use of macroeconomic policy to mitigate the effects of rises.

During the current economic downturn, the price of oil hit over $100 a barrel, and prices rose close to levels only seen in the 1970s. But the increases have not triggered global recessions as they did in the 1970s and 80s.

In new research, IMF economists attribute this resilience to five underlying factors:

1. Stronger demand

The reason for the current price hikes differs from the past. Increases in the 1970s and 1980s were caused largely by sharp disruptions to world supply. In contrast, a prime reason for the increases since 2000 has been stronger-than-expected demand from emerging market economies.

The strong growth of emerging markets has benefited both them and the global economy: raising living standards and increasing their demand for products made abroad.

A side-effect of this may have been an increase in oil prices, but this has not derailed the benefits of increased growth.

2. Central bank policies

Central banks and economies have become more adept at dealing with price shocks. In the 1970s and 1980s, oil price rises triggered fears of inflation, and workers would try to protect themselves by demanding higher nominal wage increases. This had the effect of setting off wage-price spirals.

Now, greater awareness of the impact of high wage increases—including lost employment and reforms to labor markets—have led to more job-friendly wage setting. Central banks have become more adept at convincing workers that oil price increases will not feed through into inflation.

Today, headline inflation temporarily increases after an oil price increase, but nominal wages hardly respond. Workers have grown to expect this rise in headline inflation, and anticipate that it will be temporary.

Given the experience of the past, more recently many oil-importing economies with strong central banks have experienced little impact on core inflation and wage increases, despite oil price rises.

This has allowed central banks to be more supportive of promoting recovery in the economy after an oil price increase, rather than having to raise interest rates to dampen inflationary expectations.

3. Recycling the benefits of oil profits

The revenues from oil exports are flowing back to oil-importing economies. This helps bring down interest rates for households and firms, and so supports investment and growth in these economies.

4. Greater efficiency

Oil price shocks do not have the same impact as in the past because economies have become more efficient in the use of energy. The amount of energy it takes to produce a dollar of income has been steadily declining for 40 years. This decline in energy intensity is expected to continue.

### Relations are resilient

#### [ ] U.S. influence and relations in Latin America are inevitable

Alvarado, former diplomat in the Mission of Venezuela to the Organization of American States, 2013

(Liza Torres, “The U.S. Must Re-evaluate its Foreign Policy in Latin America,” 5/31/2013 <http://www.isn.ethz.ch/isn/Digital-Library/Articles/Detail/?lng=en&id=164370>, JMP)

Although there has been a decline in U.S. influence in the region, its presence is still there. In Venezuela, for example, U.S. oil companies have seen their actions limited, yet they still operate there. The United States is Venezuela’s top commercial partner, as Venezuela supplies 12 percent of U.S. oil imports.

Relations between the United States and Latin America have experienced cyclical ups and downs. Geographically, the United States and Latin America are linked and have a natural shared market, so there will always be a relationship of one sort or another. The United States will continue to seek to exert its influence over the region, whether through future plans for the placement of military bases or the promotion of bilateral trade agreements.

#### [ ] Oil ties make relations with Venezuela resilient

New York Daily Sun, 2013

(1/29/2013, “Venezuela Open To Discussion On Improving Ties With The US,” <http://www.newyorkdailysun.com/venezuela-open-to-discussion-on-improving-ties-with-the-us/>, JMP)

Despite the strained relationship of the US and Venezuela due to ideological differences, the two countries can’t help but keep their ties due to oil-trading.

To date, the US is Venezuela’s largest importer, with the US taking forty per cent of Venezuela’s crude oil exports. On the other hand, Venezuela provides about 5.8 per cent of the US’ oil demands.

### Relations Low- Alternate Causality

#### [ ] Can’t solve relations without addressing immigration, drugs and Cuba

Inter-American Dialogue, the leading U.S. center for policy analysis, exchange, and communication on issues in Western Hemisphere affairs, 2012

(“Remaking the Relationship: The United States and Latin America,” , An Inter-American Dialogue Policy Report, April, <http://www.thedialogue.org/PublicationFiles/IAD2012PolicyReportFINAL.pdf>)

US Reversals—Over the last decade, the United States has suffered important setbacks in its regional and global standing. It has waged draining wars in Iraq and Afghanistan. It has suffered the 2008 financial crisis brought on by a lack of fiscal discipline and poor economic management. It has seen a widening gap between its rich and its poor and more acute social problems. The country’s politics have become increasingly dysfunctional, making it harder to develop sensible and effective foreign policies except in situations of great urgency.

Taken together, these developments have serious implications for US-Latin American relations. There are ample opportunities for deeper engagement and more productive cooperation but, before moving to anything resembling a genuine partnership, it will be necessary to deal more effectively with the long-standing challenges on the inter-American agenda. That is the only way the United States will be able to establish full trust and credibility.

Agenda for a New Relationship

An end to the current distancing and distraction in US-Latin American relations will require Washington and other governments in the hemisphere to refocus and deal more effectively with an array of difficult issues. Three long unresolved problems that cause strain and frustration in inter-American affairs—immigration, drugs, and Cuba—demand especially urgent attention. Three other issues—economics and energy, democratic governance, and global and regional cooperation—stand out as opportunities for broader coordination among all nations of the hemisphere. To be sure, the nature and relevance of these challenges vary from country to country. In an increasingly differentiated hemisphere, it is risky to refer in general terms to relations between the United States and Latin America.

### Relations Low- Alternate Causality- Extensions

####  [ ] Too many other factors hurt US-Latin American relations—Venezuela doesn’t even start to cover it

Grandin, History Instructor at NYU, 2011 (

Greg, “Obama's Latin America Policy: Renewal or Further Decline?” March 16, The Nation, http://www.thenation.com/blog/159256/obama-latin-america-renewal-or-further-decline)

Barack Obama heads to Latin America tomorrow, bringing with him little more than a winning smile and the hope that the afterglow of his election, which Latin Americans celebrated with great cheer, still warms. The trip is meant to show that his administration has not let crises, domestic and foreign, prevent a proactive engagement with the region. In reality, Obama will be playing catch-up, trying to slow down China’s inroads into what used to be the United States’s backyard, shore up an alternative to the so-called “bad left” countries of Venezuela, Nicaragua, Bolivia and sometimes Ecuador and Argentina, and win back Brazil. With its $6 trillion economy, Brazil has helped lead what Ecuador’s president Rafael Correa recently called the “second and definitive independence” of Latin America, opposing Washington on issues ranging from climate change to trade, Palestine to Honduras. Having been early critics of the militarism (most Latin American countries opposed the “War on Terror” broadly and the invasion of Iraq in particular) and extreme neoliberalism that crashed the United States, they believed he would help them create a new hemispheric framework, leaving behind the old failed orthodoxies and finding a way to cooperatively deal with transnational problems like poverty, inequality, crime, migration and climate change. At the very least, they thought he would finally end the US cold war against Cuba. But despite getting off to a good start at the Summit of the Americas shortly after his inauguration, Obama has largely disappointed. His administration’s shameful legitimizing of the June 2009 Honduran coup was a symbolic turning point, but the disenchantment has been widespread. An expected alliance with Brazil’s Luiz Inácio Lula da Silva didn’t pan out; immigration reform is off the table, as is a renewal of the assault rifles ban that might stem the flow of the weapons into Mexico; the United States refuses to lower its multibillion-dollar subsidy and tariff program that floats corporate giants like ADM and Monsanto; Cuba remains a pariah, if only in Washington’s eyes. As Obama quickly learned, obstacles to an effective hemispheric diplomacy were not to be found in the “bad left" countries but much closer to home: it’s the NRA, the anti-Castro Cuban lobby, agro-industry, anti-Latino jingoism, as well as the State and Commerce departments (along with the Office of the US Trade Representative) stuffed with holdovers from the Clinton and Bush administrations, that prevent much-needed movement on any number of issues: migration, Cuba, gun smuggling into Mexico, tariffs (the last Congress renewed a 54 cent tariff on each gallon of imported Brazilian ethanol—so much for “free trade”), and poverty reduction. As a result, Obama succumbed to inertia, carrying on a disastrous war on drugs and pushing an economic agenda as if 2008 (or 2002 in Argentina, the worst recorded economic collapse in history) never happened.

### Investment hurts relations

**[ ] U.S. resource investment in Latin America hurts relations – broad protests prove**

**Grandin, professor of history at New York University ,2010**

(Greg, “Muscling Latin America,” The Nation, January 21, 2010, http://www.thenation.com/article/muscling-latin-america#axzz2XLnn95pN)//SS

Responding to criticism from South America on the Colombian deal, the White House insists it merely formalizes existing ¶ military cooperation between the two countries under Plan ¶ Colombia and will not increase the offensive capabilities of the ¶ US Southern Command (Southcom). The Pentagon says otherwise, writing in its 2009 budget request that it needed funds ¶ to upgrade one of the bases to conduct “full spectrum operations throughout South America” to counter, among other ¶ threats, “anti-U.S. governments” and to “expand expeditionary ¶ war fare capability.” That ominous language, since scrubbed ¶ from the budget document, might be a case of hyping the threat ¶ to justify spending during austere times**.** But the Obama administration’s decision to go forward with the bases does accelerate ¶ a dangerous trend in US hemispheric policy. ¶ In recent years, Washington has experienced a fast erosion of ¶ its influence in South America, driven by the rise of Brazil, the ¶ region’s left turn, the growing influence of China and Venezuela’s ¶ use of oil revenue to promote a multipolar diplomacy. Broad ¶ so cial movements have challenged efforts by US- and Canadianbased companies to expand extractive industries like mining, ¶ bio fuels, petroleum and logging. Last year in Peru, massive ¶ in digenous protests forced the repeal of laws aimed at opening ¶ large swaths of the Amazon to foreign timber, mining and oil ¶ corporations, and throughout the region similar activism continues to place Latin America in the vanguard of the anticorporate and anti-militarist global democracy movement.

### 1NC Appeasement Turn

#### [ ] The plan’s unconditional nature turns the entirety of Affirmatives solvency-Venezuela will use renewed relations with the US to obscure corruption that prevents economic growth s and maintain ties with US adversaries

Walser, Senior Policy Analyst specializing in Latin America @ Heritage, 2013.

(Ray, “Buyer Beware: Secretary Kerry and Venezuela” 6/7, [http://blog.heritage.org/2013/06/07/buyer-beware-secretary-kerry-and-venezuela/] [MG])

Regrettably, Secretary Kerry and his Department of State colleagues are succumbing to Diplomat’s Syndrome, a form of optical illusion or mental disorientation that mistakes talk for action and assigns friendly gestures equal weight with actual deeds. That top diplomats of the U.S. and Venezuela talked is no big deal. President Obama made nice with President Chavez in April 2009 and relations continued to deteriorate. What really matters is whether Venezuela’s populist authoritarian leadership is genuinely ready to modify behaviors that clash with important U.S. interests and values. Beginning with the death of Chavez on March 5, the Maduro regime has engaged in virtually non-stop anti-American diatribes. It arrested U.S. citizen and filmmaker Tim Tracy on farcical charges of espionage. His recent release is a long overdue and little more than a concession to reality. Since March, President Maduro and company have repeatedly blocked efforts to obtain a fair review of voting irregularities in the April 14 elections and threatened and assaulted members of the democratic opposition, including a brutal attack on opposition legislators on the floor of the National Assembly. Maduro and company have also spoken of punitive reprisals against U.S. ally Colombia, because Colombian President Juan Manuel Santos met with defeated opposition candidate Henrique Capriles. Maduro and Jaua clearly hope that Secretary Kerry and the Obama Administration will finally recognize the outcome of the April 14 elections and legitimate Maduro’s presidency while openly throwing the democratic opposition under the bus. Kerry’s statement equating Maduro’s mouthpiece Jaua with Venezuela is disconcerting. The offensive of Maduro and Jaua is aimed at undercutting the diplomatic offensive of the opposition. They also hope to keep the systemic failures of their Cuban-inspired socialism and economic mismanagement out of the discussion and obscure their ties with Iran, Syria, and Hezbollah. Therefore, the bar for genuine improvements in U.S.–Venezuela relations should remain high. It should include a serious commitment by the Maduro regime to not only respect the rights of the democratic opposition but to enter into an actual dialogue aimed at reducing tensions and preserving fundamental political and economic rights. It will also require a major reversal in persistent anti-Americanism coupled with genuine cooperation to combat illicit drug trafficking and terrorism and adherence to all Iran and Syria sanctions. Without progress on these keys themes, Kerry and company will falter when it comes to changing the dynamic with post-Chavez Venezuela and legitimate authoritarian rule in Venezuela.

### Appeasement Turns Stability

#### [ ]

#### [ ] Engagement with the country actively contributes to instability and collapse regional cooperation

Wilson, President of Americans for Limited Government, 2011.

(Bill Wilson. “Obama’s Appeasement to the South.” [http://netrightdaily.com/2010/12/obamas-appeasement-to-the-south/][MG]

Of course, at some point, appeasement begins to look like approval. The silence has been inexcusable, but the statement by U.S. Ambassador to Nicaragua Robert Callahan that the communist state was now a candidate for U.S. foreign aid via the Millennium Challenge Corporation is an insult. And Valenzuela’s handshake with Ortega a week after the invasion began is a crime against liberty. Making matters worse, Nicaraguan dictator Daniel Ortega has stacked that country’s Supreme Court simply so it could rule he is eligible to run for reelection — even though he is term-limited by the constitution. Clearly, Ortega has taken a page from Manuel Zelaya, who attempted a similar coup in Honduras to stay in power for life. Moreover, the Sandinistas have seen fit to “reprint” the Nicaraguan constitution to allow term-limited officials, including Supreme Court justices and election magistrates, to stay in power indefinitely, undoubtedly to solidify Ortega’s hold on power. This is the same regime responsible for the murder of thousands of Nicaraguans in the 1980’s as it waged its revolution. Weakness invites aggression, and it is clear that the ineptitude of the Obama Administration has not gone unheeded in the region. In the last week of the year, Chavez expelled U.S. envoy Palmer for his comments about Venezuela’s proxy war against U.S. ally Columbia. Columbia, like Costa Rica, is in danger from these insurgent forces seeking to topple freedom in the region. Venezuela has unsurprisingly refused to condemn the Nicaraguan invasion of Costa Rica in the Organization of American States, and itself has a horrendous record of suppressing opposition in its country. Chavez has made himself dictator-for-life and has eliminated privately-run press organizations. And Barack Obama has done nothing, and his stooge, Valenzuela, since being appointed to his post continues to project a weak U.S. posture in the region. That won’t be changing any time soon, and certainly not in time to save nations like Nicaragua from once again falling into the grips of an authoritarian regime. Freedom will not long endure in the Americas without U.S. leadership, and under the Obama Administration, Central and South America are becoming less free.

### Appeasement Turns Democratic Signals

#### [ ]

####  [ ] Recognition of Maduro in any form will undermine democratic signals to the entire region

Baverstock, Foreign Correspondent for Christian Science Monitor, 2013.

(Alasdair, “Venezuela's Maduro still waiting on Washington's recognition” Christian Science Monitor, [http://www.csmonitor.com/World/Americas/2013/0517/Venezuela-s-Maduro-still-waiting-on-Washington-s-recognition][MG]

The US’s reluctance to accept the new leader affects little in economic terms; the heavy crude is still flowing steadily from the Venezuelan oil fields into US refineries, a trading relationship upon which Venezuela relies heavily, particularly following the recent slump in global oil prices. In fact, many believe the US’s reluctance to legitimize Maduro amounts to little more than a message to other regional observers. “Maduro is certainly now the president of Venezuela,” says Mark Jones, professor of political science at Rice University in Texas. “The US’s refusal to recognize him is more symbolic than anything else. Ignoring Maduro’s win sends a signal to other Latin American countries that these elections didn’t meet minimum democratic standards.”

### Oil appeasement hurts democracy

#### [ ] Obama’s investment in Venezuela will lead to a non-democratic regime.

Christy, senior policy analyst at the Foreign Policy Initiative, 2013

(Patrick “Obama Must Stand Up for Democracy in Post-Chavez Venezuela,” 3/15, <http://www.usnews.com/opinion/blogs/world-report/2013/03/15/after-chavez-us-must-encourage-democratic-venezuela>)

In light of all this, it remains unclear why the Obama administration seeks, in Secretary Kerry's words, "an ongoing, continuing dialogue at a high level between the State Department and the [Venezuelan] Foreign Ministry" – let alone believe that such engagement will lead to any substantive change in Maduro's behavior. To be sure, Caracas's recent release of jailed American filmmaker Timothy Tracy is welcome and long overdue. However, it is clear that the bogus charges of espionage against Tracy were used as leverage in talks with the United States, a shameful move reminiscent of Fidel Castro's playbook. [See a collection of political cartoons on defense spending.] While Secretary Kerry said that his meeting with his Venezuelan counterpart included discussion of human rights and democracy issues, the Obama administration's overall track record in the region gives reason for concern. President Obama failed to mention Venezuela or Chavez's abuse of power during his weeklong trip to the region in 2011. And while Obama refused at first to acknowledge the April election results, the State Department has since sent very different signals. Indeed, Secretary Kerry declined even to mention Venezuela directly during his near 30-minute address to the plenary session of the Organization of American States in Guatemala last week. For Venezuela's opposition, the Obama administration's eagerness to revive relations with Maduro is a punch to the gut. Pro-Maduro legislators in the National Assembly have banned opposition lawmakers from committee hearings and speaking on the assembly floor. Other outspoken critics of the regime face criminal charges, and government officials repeatedly vilify and slander Capriles. What's worse, if the United States grants or is perceived to grant legitimacy to the Maduro government, that could give further cover to the regime as it systematically undermines Venezuela's remaining institutions. The Obama administration's overtures to Maduro's government come as the region is increasingly skeptical of the Chavez successor's reign. Last month, Capriles met with Colombian President Juan Manuel Santos in Bogota. Chile's Senate unanimously passed a resolution urging a total audit of all polling stations. And in recent weeks, opposition lawmakers led by María Corina Machado, a representative from the National Assembly of Venezuela, have held meetings in capitals around the region to educate foreign leaders about Maduro's illegitimate hold on power. Rather than accept Maduro's strongman tactics, the Obama administration should take a firm stand and make clear to Caracas that any steps to undermine the country's constitution or threaten the opposition will be detrimental to bilateral ties with the United States. The fact is that Washington holds all the cards. Venezuela's economy is in a free-fall, Maduro's popularity is plummeting, and various public scandals – especially those related to institutional corruption – could further erode public confidence in the current government. By resetting relations with the Maduro government now, the United States risks legitimizing the Chavez protégé's ill-gotten hold on power and undercutting the Venezuelan democratic opposition efforts to sustain and expand its popular support. It's time the Obama administration rethink this hasty reset with Maduro.

### Oil appeasement hurts democracy

#### **[ ]**

#### **[ ] The Venezuelan oil sector bolsters autocratic rule --- suppresses dissent.**

Urgelles, Master’s degree in political science New York University, 2010

(Thaelman “The Price of Venezuelan Oil? Democracy,” PolicyMic, http://www.policymic.com/articles/1523/the-price-of-venezuelan-oil-democracy)

.¶ Today, President Hugo Chavez’s Venezuela works in a strikingly similar fashion. His so-called “Socialism of the 21st Century” has been a long campaign to expropriate and take over the private businesses of Venezuela’s weak bourgeoisie. He has utilized gigantic oil revenues in order to finance the government without the need for tax revenues or the private sector.¶ Chavez has systematically expropriated agricultural land from the hands of private producers (some of them very efficient) in a crusade to give the land to the peasants. He has propagated a myth using socialist rhetoric in which the government must redistribute the country’s land in order to protect landless peasants from being exploited by greedy landlords. This narrative feeds off a 19th century vision of Venezuelan society — where most of the land was monopolized by military and oligarchic landlords — that no longer exists now that the country has become a mainly oil producing economy. This was a process that began decades ago with Venezuela’s oil industry, but Chavez has taken it to its ultimate extreme, resulting in the destruction Venezuela’s capacity to feed itself by decimating the country’s agricultural sector.¶ As a result, Venezuela now depends more than ever on foreign imports, especially from Colombia and Argentina, and the average Venezuelan depends on imported food purchased with oil revenues. High government spending has led to the highest inflation in Latin America and the almost complete demise of national production. Contrary to common sense, Chavez’s officials defend this policy as the primary establisher of national autarchy.¶ Venezuela’s catastrophic economic situation doesn’t end with the agricultural sector. Chavez has expropriated other important branches of national industry, like steel and aluminum, sugar, electricity, and the biggest telephone corporation, which has followed these companies into bankruptcy. His socialist ideology has resulted in an economy that depends more than ever on oil prices.¶ Chavez's strategy to have a tight control of the only real source of wealth in the country makes complete sense if he plans to rule for life. It has made him the indisputable, strongest and wealthiest politician in Venezuela, by leaving the private sector subservient to the central government and the civil society weak and demoralized in front of an all-pervasive civil bureaucracy.¶ Venezuela’s woes fit the pattern of other oil-rich countries which have also become rentier economies controlled by repressive regimes. These governments use oil wealth to bolster their popularity by buying off important segments of the population with social programs, as well as suppressing dissent, which is exactly what Chavez has been doing for more than a decade now.

### Answers to: Appeasement spurs democracy

#### [ ]

#### [ ] Maduro is shoving democracy aside—the US must oppose his rise to power.

Washington Post 4-16-13

(Washington Post Editorial Board; “Nicolas Maduro shoves aside democracy in Venezuela”; 4-16, http://articles.washingtonpost.com/2013-04-16/opinions/38584114\_1\_nicolas-maduro-recount-mr)

THE ATTEMPT by the followers of Hugo Chavez to install a successor to the dead caudillo through a one-sided election is faltering. Now the Venezuelan regime appears to be preparing to maintain itself in power through brute force — and the oil-producing country is headed for a crisis that demands the attention of the United States and Latin America’s democracies.¶ On Tuesday, Nicolas Maduro, the former bus driver and Cuban protege who was designated as Mr. Chavez’s successor, went on national television to announce that he would “not permit” a march Wednesday called by the opposition to support its call for a recount of votes in Sunday’s election. Promising to use “a strong hand” — a hoary phrase from Latin America’s history of dictatorship — Mr. Maduro spoke of protesters “filling [Caracas] with death and blood,” words that rang like a threat. The government said that seven people already had been killed in post-election clashes and claimed that a coup was being prepared.¶ In fact, if anyone is preparing a coup, it is Mr. Maduro and his Cuban advisers. Opposition leader Henrique Capriles Radonski has put forward a peaceful and reasonable demand: that an audit be undertaken of the suspect presidential vote count. Mr. Maduro himself said Sunday that he would agree to a recount — but on Monday the electoral commission he controls abruptly ratified a result that gave him a margin of 260,000 votes out of 14.8 million cast. The narrow outcome clearly shocked the Chavistas, who had already installed Mr. Maduro in the presidency by unconstitutional means; they expected that their domination of the media and orchestration of voting by state employees would produce an easy “victory” and legitimize the regime’s continuation.¶ In fact a majority of Venezuelans, including many former Chavez supporters, appear to be fed up with a “revolution” that has produced double-digit inflation, severe shortages of power and staple foods and one of the world’s highest murder rates. Mr. Maduro has offered no answers to these problems — only ludicrous claims that they are the product of conspiracies by the opposition and the United States. Amid signs that his movement may be splintering, Mr. Maduro appears to be preparing repressive measures that should be intolerable to members of the Organization of American States, who are bound by treaty to resist violations of democratic order.¶ Fortunately the Obama administration, which until recently was prematurely and unwisely courting Mr. Maduro, has questioned the quick certification of the election and supported the call for the recount; so has the government of Spain and OAS Secretary General José Miguel Insulza. The administration should begin coordinating with Mexico, Chile and other important Latin American democracies to prevent Mr. Maduro from killing his way into power.

### Venezuela would say No—Political Move

#### [ ] Maduro will say no to appear more hardline against the U.S.

Baverstock, Foreign Correspondent for Christian Science Monitor, 2013.

(Alasdair, “Venezuela's Maduro still waiting on Washington's recognition” Christian Science Monitor, [http://www.csmonitor.com/World/Americas/2013/0517/Venezuela-s-Maduro-still-waiting-on-Washington-s-recognition][MG]

“

A lot of Venezuelans seem to think that a close election is not a valid election, so this leaves room for Maduro’s critics to question it,” says Mark Weisbrot of the Center for Economic and Policy research, an independent think-tank in Washington. Mr. Weisbrot says he thinks the US is trying to take advantage of this situation. Far from putting a dent in Maduro’s credibility, other observers believe that continued tensions between Venezuela and the US serve as a positive for a president whose supporters have come to expect belligerence towards “las imperialistas.” “In many ways John Kerry is doing Maduro a favor by not recognizing him,” says Jones. “The US’s refusal to cooperate plays into the socialists’ broader narrative that the US is conspiring to defeat Venezuela’s revolution.”

#### [ ] Maduro won’t engage with the US

#### Shinkman, National Security Reporter at U.S. News & World Report, 2013

(Paul, “Iranian-Sponsored Narco-Terrorism in Venezuela: How Will Maduro Respond?”, US News and World Report, April 24th, http://www.usnews.com/news/articles/2013/04/24/iranian-sponsored-narco-terrorism-in-venezuela-how-will-maduro-respond?page=2)

[Maduro] has been and will continue to be forced to take all the unpopular macroeconomic steps and corrections that are painful, but Chavez never took," Farah says. "There is going to be, I would guess, a great temptation to turn to [the elites] for money."¶ "Most criminalized elements of the Boliavarian structure will gain more power because he needs them," he says, adding "it won't be as chummy a relationship" as they enjoyed with the ever-charismatic Chavez.¶ U.S. officials might try to engage the new Venezuelan president first in the hopes of improving the strained ties between the two countries.¶ But Maduro has never been close with the senior military class in his home country, and will likely adopt a more confrontational approach to the United States to prove his credentials to these Bolivarian elites.¶ "Maybe if he were operating in different circumstances, he could be a pragmatist," Farah says. "I don't think he can be a pragmatist right now."

### Venezuela would say No- Political Move- Extensions

#### [ ]

####  [ ] Political conditions prevent Maduro from being pragmatic

Meacham, director of the Americas Program at the Center for Strategic and International Studies, 2013

(4/16/2013, Carl, “Venezuela Post-Election: Can Maduro Govern?” <http://csis.org/publication/venezuela-post-election-can-maduro-govern>, JMP)

Maduro's narrow victory also dashes any expectations that he might turn pragmatic when dealing with such issues as the Venezuelan economy. Maduro’s first goal will likely be to show himself in charge and to satisfy Chavistas. This will likely lead to a doubling-down of Chávez’s policies and to profligate spending on social programs within Venezuela.

Q4: What does the current situation mean for U.S.-Venezuela relations?

A4: These results likely bode ill for U.S.-Venezuela relations as well. Maduro will likely be forced to play the anti-United States card to placate Chavismo’s most ardent supporters and show himself to be a Chavista to the core.

Conclusion: Sunday’s result has changed the dynamics of Venezuela’s transition to its next president. The close showing signifies political uncertainty and potential conflict in the short term, as more Venezuelans seem to be tiring of the growing corruption, crime, and inflation that defined the later years of Chávez’s presidency. One thing is certain: while Maduro campaigned on inheriting the mantle from Chávez, the Venezuelan people will not overlook Venezuela’s problems as they did for the former president. Maduro described himself as the “son of Chávez,” while campaigning – but one has to believe Chávez would have been deeply disappointed with Sunday’s outcome.

#### [ ] Maduro says no to the United States

Neuman and Archibold, writers at the New York Times, 2013

(WILLIAM and RANDAL C, Kerry Meets With Official of Venezuela to Set Talks, New York Times, 6/5/13, <http://www.nytimes.com/2013/06/06/world/americas/venezuela-frees-tim-tracy-jailed-us-filmmaker-and-expels-him.html?_r=0>)

Mr. Maduro, who is struggling with economic problems and faces great pressures from within Mr. Chávez’s movement and from a re-energized opposition, has repeatedly used the United States as a political punching bag and accused it of ties to purported plots to undermine or overthrow his government.

Last month, Mr. Maduro called Mr. Obama “the big boss of the devils” and said Mr. Obama planned to provoke violence in Venezuela to have an excuse to intervene.

On the day Mr. Chávez died, Mr. Maduro expelled two military attaches at the American Embassy, saying they were trying to destabilize the country. He has speculated that the United States may have found a way to cause Mr. Chávez’s cancer.

### Venezuela would say No- Hardliners

#### [ ] Hard-liners won’t accept the plan

Meacham, director of the Americas Program at the Center for Strategic and International Studies, 2012

(Carl, 6/21, “The Kerry-Jaua Meeting: Resetting U.S.-Venezuela Relations? ”, http://csis.org/publication/kerry-jaua-meeting-resetting-us-venezuela-relations, 6/21/2013)

Conclusion: In short, relations between the United States and Venezuela have a rocky track record that recent headlines cannot obscure. And while there are undoubtedly members of the Venezuelan government who want to improve relations, it’s difficult to see their argument winning over the more hardline Chavistas in the government, who would likely see any steps to building ties as betraying the cause. Venezuela has time and again proven to be unwilling to work with the United States, making it difficult for the United States to gauge any real intentions of change. In order to move ahead and legitimize this new relationship, the United States must make a decision regarding Maduro’s legitimacy: does the United States recognize Maduro’s election sans a proper audit?

####  [ ] Maduro says no – Upsets the Chavistas and hand outs from America make him look weak.

Shifter, President of the Inter-American Dialogue, President of the Inter-American Dialogue 2013,

(Michael, “A ‘Bolivarian dream’ deferred ”, Gulf News, 7/3/2013, http://gulfnews.com/opinions/columnists/a-bolivarian-dream-deferred-1.1205058,)

It makes sense for Venezuela to reach out to the US, but at least in the short term, Maduro will have a tough time holding back on his strident, anti-American rhetoric. For political survival, he needs to prove his Chavista bona fides to the base that brought him to the presidency. Whatever happensabroad, Maduro will be increasingly consumed by Venezuela’s staggering problems at home.Madurobut is hardly in a position to lead the kind of broad ideological movement that Chavez was able to cobble together in his glory days. his own country’s stunning decay raises questions about how much longer his poor imitation of Chavez can carry him.

### Venezuela would say No- Hardliners- Extension

#### [ ]

#### [ ] Maduro says no – must demonstrate his leadership by standing up to America.

Scicchitano, staff writer at Newsmax, 2013

(Paul, “Ambassador Reich: Maduro Shows 'False Manhood,' Wants to be Chavez” Newsmax, 7/6 http://www.newsmax.com/Newsfront/reich-maduro-venezuela-snowden/2013/07/06/id/513588)

Former U.S. Ambassador to Venezuela Otto Reich tells Newsmax that Venezuela’s offer of asylum for NSA leaker Edward Snowden is an attempt by President Nicolas Maduro to flex his “false manhood” and be more like his predecessor — the late dictator Hugo Chavez. “Venezuela has nothing to gain. Maduro has a lot to gain,” Reich said in an exclusive interview on Friday. “Maduro gains that macho bravado that he has lacked so far. He’s really been a laughing stock in Venezuela because of things like his statement that Chavez came to him as a little bird and spoke to him. People have been making fun of that for months. He’s just not taken seriously. What better show of false manhood than to stand up to the great American empire — stand up to the Americans. This is what he’s doing.”

### Solvency takes too long

#### [ ] The oil sector in Venezuela faces too many problems to turn around in the near term. Securing international investment would only be a drop in the bucket.

Ladislaw and Verrastro, senior fellow with the Energy and National Security Program at CSIS, and Chair for Engergy and Geoplotics at CSIS, 2013

(Sarah O. and James R., “Post-Chavez Outlook for Venezuelan Oil Production”, March 6, http://csis.org/publication/post-chavez-outlook-venezuelan-oil-production)

Even under the best of circumstances, reform in the energy sector will take a long time to emerge. The damage that has been done to not only PDVSA but to the institutions of the state and civil society could take years to rehabilitate. A few key reasons for this include:

revenue from the oil and gas sector that is diverted for political purposes and not reinvested in a way that will drive new production will be hard to direct back to useful investment in the sector,

much of the private sector has been driven away from investment in Venezuela and may be reluctant to return, or for the companies in country to re-invest in the short-term given their experience in the 2000s,

oil field mismanagement and damage may have likely occurred over the last decade and it will take time and investment to revitalize,

many of Venezuela’s core assets are in technologically complex and capital-intensive heavy oil projects that take time and resources to develop and must now be viewed in light of the global array of upstream options that are now on the table for international oil investors as compared to a decade ago,

some of Venezuela’s current commercial relationships on the upstream or export side may have to be revisited in light of a more commercially-based hydrocarbon policy,

Venezuela’s energy sector is dominated by the state’s decisions and management and it will take time to replace the managerial competency that once existed,

highly subsidized oil is a key feature of Venezuelan society and the political will to reform the entire energy sector into one that is more market-based and open to private investment will necessarily have to feed into the domestic demand-side of that equation.