



Written by [Bob Adelman](#) on April 20, 2017

GM Ceases Operations in Venezuela Following Government Seizure of its Plant

Following the government's confiscation of its parts plant, General Motors [announced on Wednesday](#) it was ceasing all operations in Venezuela. The company said the seizure was illegal and that it would seek legal remedies.

The announcement puts 2,700 workers making replacement parts in the plant out of work, with small comfort coming from GM, which said it would make "separation payments" to those employees.



But what then? Another 3,900 people will likely find their jobs in jeopardy as the 79 car dealers that employ them will also shortly disappear in the aftermath of GM's decision.

GM joins an ever-growing list of companies that can't operate in the socialist paradise run by Marxist dictator Nicolás Maduro, including Halliburton, Ford, Procter and Gamble, Bridgestone Tires, ExxonMobil, Kimberly-Clark, and Coca-Cola. In fact, one wonders why GM stayed around as the economy was collapsing all around its operations there.

And "collapse" is not too strong a word. As the totalitarian government began seizing critical parts of the economy under the late Hugo Chávez in 1999, it took control of the privately owned oil industry, telecommunications, energy, and cement businesses. As oil prices dropped, the Chávez government turned to the printing press to pay its bills, resulting in inflation that has risen to the point where the bolivar is essentially worthless. Under Maduro, the economy shrank 18 percent last year, with no end to the decline in view. One in four Venezuelans is out of work, with unemployment/underemployment approaching one of out three. More than four of five Venezuelans say they don't earn enough to meet their basic physical needs, while three-quarters of them say they have lost an average of 19 pounds as a result of being able only to secure two meals a day. The International Monetary Fund predicts inflation will rise over 2,000 percent next year, but by then it really won't matter: The country is regressing back to a barter system.

In fact, the vast majority of those most affected by Maduro's economic madness aren't interested in joining in the riots that have engulfed the capital city of Caracas over the last three weeks. Instead, they are focused solely on trying to stay alive. Without that support, opposition to Maduro will likely fail to remove him from office, as explained by *The Wall Street Journal*: "Without support in the shantytowns, many opposition leaders fear the current protests will end like the previous wave of unrest in 2014, when three months of demonstrations in middle-class neighborhoods left 43 people dead — without achieving any political change."

Even if the protesters did manage to remove Maduro, the country's culture has been so badly damaged that the next dictator to come to power will probably look much like the last one. As Andres Malave, a former resident of Caracas, wrote:

Those watching from around the world, particularly in the United States, seem hesitant to put a



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label on Venezuela's struggle. But for me and mine, it's clear what precipitated this crisis.... While extenuating circumstances like drought and [the decline in] oil prices have certainly worsened the situation, it's clear there's a larger force behind Venezuela's woes. The force that is driving Venezuela into the ground is socialism.

What concerns Malave is the ready acceptance by Millennials in the United States of socialism as a preferable alternative to free-market capitalism:

A recent survey shows that nearly 60 percent of 18-26 year-olds believe socialism is the "most compassionate system." But socialism is not compassionate. Whether a socialist government owns the means of production via nationalized industries, or enforces central planning via price controls and stringent regulatory structures, socialism operates under the assumption that an insulated leader and his legion of bureaucrats are the best judges of what people are worth.

Not only is socialism destroying the last remnants of a capitalist economy in Venezuela, it is also removing all value from the life of its citizens.

An Ivy League graduate and former investment advisor, Bob is a regular contributor to The New American magazine and blogs frequently at [LightFromTheRight.com](#), primarily on economics and politics. He can be reached at badelmann@thenewamerican.com.



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