

General Motors To Close Five North American Factories

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GENERAL MOTORS TO CLOSE FIVE NORTH AMERICAN FACTORIES



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General Motors recently announced that it will stop production at five of its North American plants in 2019. Four of the plants scheduled to close down are located in the United States, one is located in Ontario, Canada.

General Motors executives praised the decision to close the factories as an effort to maintain long-term profitability.

General Motors CEO said, "These actions will increase the long-term profit and cash generation potential of the company and improve resilience through the cycle."

By 2020 the company expects that it will save \$6 billion by reducing the operating costs of the factories, which includes hiring workers. Thousands of workers will be impacted by the decision to close the assembly and propulsion plants.

The rationality of the capitalist economic system prioritizes the maximization of profits by the capitalist class over the interest of the working class. If the executives decide that the consolidation of productive capacity will increase profits, the decision will be made.

The increased cash flow will benefit the capitalists whereas 15% of the salaried workforce is laid off. The interests of the two groups, capitalist and worker, are antithetical.

Source

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