

# Corbyn and the Venezuela model

The leadership of the Labour party admired Chavez, the socialist dictator of Venezuela and have not rushed to condemn his successor, Maduro. Between Chavez and Maduro they have shown the world what a true socialist programme does. They have undertaken widespread nationalisation, boosted spending programmes, borrowed huge sums of money and regulated and taxed the remaining private sector.

The results have been predictably dire. GDP per head and GDP is down by around 40% from the peak in 2011. Oil output in the nationalised oil industry has more than halved. Inflation has turned to hyperinflation. More than 1 in 3 are out of work. There are shortages of basics in the shops.

The nationalisation of oil is an important warning to a Labour party that seeks wide ranging nationalisation and see nationalising broadband and taxing digital companies as some kind of cornucopia they can wrestle away from the competitive sector. Venezuela saw the oil industry as a source of money for all they wanted to do. Instead they starved it of good management and of investment so today output has halved. Tankers are unable to transport more oil from Venezuela because they are not in seaworthy enough condition to pass modern maritime standards.

Labour seriously underestimates the costs of nationalising UK broadband and grossly exaggerates how much money it could get from new taxes on US technology companies operating here. There is not just the initial cost of partial compensation to the current owners of BT. There is also the need to pay an annual subsidy to replace the broadband charges that would be abolished, and the need to find huge sums of capital to complete the roll out of fibre optic cable to all parts of the UK to supply the capacity needed.

When we last had a monopoly nationalised industry running our phone service here in the UK you could experience a delay of six months or more in trying to get a new phone line. You were not allowed to buy your own choice of phone to add to the network. The switching equipment was out of date and the UK was falling well behind the USA in standards and capacity of phone system. Why would it be any different in the future if Labour had its way? Any how much would they rob from savers who currently own BT through their Pension funds and their share based savings and insurance policies?

Under past Labour governments nationalised industries cost taxpayers a fortune in subsidies needed to keep them going. They overcharged customers from their monopoly position and they often sacked large numbers of employees. It was wisely said we did not own the nationalised industries but they owned us.