

TABLE 5

**Inflation erodes living standards**

|                                 | 1988  | 1989  | 1990  | 1991  | 1992  | 1993  |
|---------------------------------|-------|-------|-------|-------|-------|-------|
| Cumulative inflation (%)        | —     | 84.5  | 125.2 | 159.4 | 190.8 | 236.7 |
| Minimum monthly wage (bolivars) | 3,000 | 3,000 | 3,000 | 3,000 | 9,000 | 9,000 |
| Minimum wage in dollars         | 88.2  | 76.9  | 58.8  | 48.3  | 112.5 | 84.9  |

The famous Venezuelan “miracle” of 1990-91 was based, among other things, on the most brutal robbing of labor and the standard of living of the Venezuelan people, comparable in Ibero-America with Bolivia and Haiti in terms of wages. This is totally incompatible with an oil-producing nation which received \$60 billion in petrodollars during these five years.

It should be observed that the minimum wage was tripled in 1992, one month after the military crisis of Feb. 4, and with the people taking to the streets to demonstrate. But if the minimum wage nominally went up by 200%, the basic food basket went up 528% in the same timeframe, from 428 to 2,689 bolivars—i.e., 300% more than the cost-of-living wage increase.

The situation is more serious if one compares it with a decade ago. In a forum on poverty in Venezuela, on Aug. 12, 1993, Rafael Caldera (now President) drew this comparison: In 1983, the minimum wage was 900-1,200 bolivars (\$250-300 in U.S. dollars). In 1987 “the percentage of households without sufficient income to buy the food market basket was 23%. In 1992, 51%; and right now it may be more than 65%.”

According to Fundacredesa, for 1992 the poverty level in Venezuela reached 81% of the population and critical poverty—below the line of survival—reached 45%.

“Average family income,” Dr. Caldera said in his report, “for 1987 was 1.7 times the cost of the family market basket. . . . In 1992 this national average dropped to 0.9%; in other words, the average income of all families was less than one unit, the indispensable amount to cover the family market basket.” He went on, “As for the number of calories necessary to live, between 1980 and 1992 consumption went down by 18.5%. These things are frightening wherever you may see them.”

In fact, according to the National Institute of Nutrition (October 1993 data), the Venezuelan’s average consumption has gone down from 2,300 calories per day to only 1,700. “Chronic infantile malnutrition, which before reached 10% as an upper limit, is now at 30% in some states.” More than 3 million children are malnourished. “Children in strata IV and V—critical and extreme poverty—who are more than half of the Venezuelans, have been getting smaller in stature. They are born weighing less than 2.5 kilos, because the mothers are underfed.”

Another consequence is unemployment, disguised as

some form of “informal employment” or buffoonery to survive. Dr. Caldera cited a study of the Mendoza Foundation according to which the informal sector, which in 1980 was 33.4% of total jobs in the country, by 1991 was 37%. Other studies place it around 50% of the employed population. Moreover, 46% of the informal sector works for less than the minimum wage and does not have the protection of the social security system.

Especially serious is youth unemployment, since youths between 15 and 24 years of age represent 25% of the country’s population. Of this total, one-third are outside the labor market and the education system. That means that more than 1.7 million young people have neither jobs nor schooling. This explains in part, the unprecedented boom in criminality in Venezuela, which includes arms and drug trafficking, and shootouts almost every day, especially in marginal zones. In recent years, murder has claimed more than 40 lives each week in the city of Caracas. De facto, a situation of war.

## Correction to China program

As a result of a freak production problem experienced by our typesetter when the recent severe winter storms wreaked havoc in northern Virginia, the first line or two of copy was dropped at the top of pages 29, 31, and 33 in our *Feature* for Feb. 11, “An Emergency Plan for China for the Next 100 Years.” In addition, lines were inadvertently repeated on pages 30 and 32. The missing copy is supplied below.

On p. 29, the sentence should have read: “This kind of ‘Big Bang’ expansion is characteristic of war economy mobilization, but it becomes more difficult to sustain as time goes on.”

On p. 31, the sentences should have read: “The most suitable nuclear technology for this purpose, available today, is the high-temperature reactor (HTR), incorporating the advantages of absolute, inherent safety, high efficiency, and simplicity of construction and operation. Later, various forms of fusion energy will be added.”

On p. 33, the sentence should have read:

“Using the high-temperature so-called ‘potato reactor,’ it is now possible to construct nuclear sources of power, that. . .

“3) are available in flexible, modular form in a wide range of power ratings, from a few tens of megawatts to gigawatt capacities;”

We apologize for the inconvenience to readers.