

# Footnote on A Forbidden Paradise

By PAUL PEACH

One day last winter the entire population of a Venezuelan village perished horribly in a lake of blazing oil, and the attention of the whole world was drawn to one of those strange phenomena which a system of private land monopoly provides so liberally.

This community existed not on dry land, of which there is more than abundance in the first of the South American independent states founded by the liberator, Simon Bolivar, but on stilts embedded in a lake surrounded by rich oil wells. These stilts were lapped by a film of petroleum seeping from the wells. Ignited accidentally, the oil burned rapidly, the flames ran up the stilts to the wooden perches which served as homes, and trapped the unhappy villagers in a mass crematory.

Venezuela is about eight times the size of Pennsylvania, and its population is something under four million. It is lavishly endowed with natural resources; in 1935, for example, its gold production was valued at 3.5 million dollars. According to the *World Almanac* its chief industries are agriculture and cattle raising; but upon examination its bounteous harvest shrinks to a few sacks of coffee; the cattle population is comparable with that of the wheat-growing state of Kansas. Actually, the great resource of the nation is its oil wells. Here are the figures, in millions of barrels, for the seven major sources of petroleum for the years 1932-1936 inclusive, as supplied by the U. S. Bureau of Mines:

	1932	1933	1934	1935	1936
United States	785	906	908	994	1099
Russia	154	155	174	177	192
Venezuela	117	118	136	149	155
Rumania	54	54	62	61	64
Iran	50	54	58	57	57
Dutch E. Indies	39	43	47	47	49
Mexico	33	34	38	40	41

Venezuela has no public debt; in fact, it is only by exercising considerable diligence that the government is able to spend the ample revenues. Official salaries are so high that it is considered bad taste to re-

fer to them. Much of this huge government income is from the tariff; the penalties which Venezuelans visit upon each other and themselves for accepting in exchange for their oil the wealth of other nations are exceedingly severe, possibly the highest in the world. The existence of this tariff is something of an anomaly, because Venezuela has practically no industries to be protected; the trifling amount of capital enterprise which does exist (for example, retail merchants) is held just on the edge of a strangled coma by the grip of the tax gatherer and the rent collector. Even agriculture lies moribund in this choking clutch; there is abundant fertile soil, land is practically untaxed, and cheap labor is available; but food is produced only for local consumption. Transportation costs are so preposterous that it is cheaper to import food, even over the tariff wall, than to ship it from the interior.

In this country of rich land and surging oil wells all but a privileged few live in the most dismal poverty. According to Edward Adolphe, writing in the *"New York Herald Tribune"* (March 19, 1939) living costs are two and a half times as great as in New York City. Comparisons based on money wages are likely to be misleading, but Mr. Adolphe has supplied data which enable us to calculate purchasing power and real wages; these work out at somewhere around one third of what is usual in the United States. In other words, office help in the cities receive about 350 bolivars a month, equivalent in exchange to over \$100, but in purchasing power to about \$50 in New York. Skilled labor earns 8 bolivars a day (say \$1.15) and unskilled labor half that. (It is repeated, for the sake of clearness, that the dollar figures represent purchasing power, New York City scale; 8 bolivars nominally equals about \$2.50). According to Mr. Adolphe, a survey of 311 families "in the poorer sections of the capital" (Caracas) indicated that 71% of the family in-

come went for food and rent. Quarters which do not compare with a \$75 New York apartment rent for \$200.

Venezuelans bask in the sunshine of a constitution which was established in 1936; in it they are granted substantial privileges which ought to make them very happy. For example, they have free public schools, and primary education is "compulsory." (Enough schools are provided for about one-fifth of the children.) And there is an "advanced" labor law, with provisions for profit sharing, workmen's compensation, a compulsory eight hour day, and a guarantee of collective bargaining rights. (When, as and if any sizeable capital enterprise succeeds in taking root in this inhospitable soil these privileges should be very valuable indeed; up to the present time the profit sharing provision for example, has been comparatively inoperative, due possibly in part to the absence of industries in which profits might be made.) Despite this and other "progressive" legislation, the condition of the Venezuelan masses tends to get worse instead of better; so conspicuously is this true, indeed, as to give rise in some minds to a horrid doubt that such legislation has much power to cure economic illness.

Mr. Adolphe concluded his article with an explanation of Venezuelan poverty in terms of "elementary economics"—one of those explanations which make the reader say, when he has finished, "What an abstruse and difficult study economics must be!" But he lets fall, in an unguarded moment, a hint of the true explanation: "Most of the Venezuelans are tragically poor, and only the old entrenched Spanish families can taste the bonanza."

What of the unfortunates who met their fearful end in the holocaust of last winter? They were workers upon the land, but the land was not theirs. The tremendous fecundity of the Venezuelan soil meant nothing to them except an aggravation of their misery during life and a foretaste of hell in death.