

Andean Report by Luis Vásquez Medina

Shining Path: the new cocaine cartel

The Bush administration will compete with terrorists for the favor of Peru's cocaine producers.

The first week of 1991 brought the Peruvian public a terrible revelation. According to the Lima weekly *Sí*, more than a year ago, the Shining Path terrorists became the entity which controls production and trade in coca leaves and basic cocaine paste in the world's foremost coca production area, the Upper Huallaga Valley. *Sí* published a facsimile of a document entitled "Petition from the Poor Peasants," dated April 1990, in the Upper Huallaga Valley town of Uchiza.

The document, which fell into the hands of the authorities at the end of 1990, conclusively proves *Sí's* assertion. It reports agreements between Shining Path and narcotics traffickers, particularly the Colombian ones who swoop into the Peruvian jungle in small airplanes to buy basic cocaine paste. The agreement stipulates prices which should be paid effective April 18, 1990, for coca leaves and basic cocaine paste. It also sets standards for weighing the merchandise and for setting exchange rates between dollar and the Peruvian inti.

The Shining Path document reads in part: "We support the just price demanded by the peasants, no rip-offs in weighing and direct negotiation between the peasant producer and the firms [drug traffickers]. We propose agreements and norms to be imposed through delegations. Anybody who breaks said agreements and norms will be drastically sanctioned."

Shining Path insists that the drug traffickers accept "subjection to rules of the locals of the party [Peruvian Communist Party—Shining Path,

(PCP)]. . . . They must treat peasants well (not humiliate them, nor mock them, nor restrain them). They must not bear arms when they go into people's committees, since the people provide security. Support the PCP and people's war. They may have relations with the enemy, but must not inform on our position. If they go over to the enemy, the PCP will take drastic measures against them."

Since the early 1980s, Shining Path has targeted the Huallaga Valley, source of 60% of the world's coca, trying to get in on the profits. They focused on eliminating all competition. They assassinated the small intermediaries who carried the coca leaves from the small farms to the laboratories and clandestine airports. Then, they battled the Tupac Amaru Revolutionary Movement (MRTA) terrorists for control, expelling them at the end of 1989.

Shining Path has entered a new stage in seizing power in Peru. According to columnist Patricio Ricketts of the daily *Expreso*, the November issue of Shining Path's new publication *Diario Internacional*, put out in Brussels, reveals that it "has gone even more audaciously to . . . land invasions whose control would permit Shining Path to strangle the Central Highway . . . thus immobilizing the country." This is the only good road connecting Lima with the food-growing and mining areas of the central highlands.

Shining Path's ability to turn itself into the powerful "Huallaga Cartel," with more than \$150 million annual income from "levies," demonstrates

the failure of Gen. Alberto Arciniegas's policy. The "Arciniegas line," followed by both Presidents Alan García and Alberto Fujimori, was dictated by the U.S. Establishment's Inter-American Dialogue. Its thesis is that the government's strategy must be to win over the coca-growing peasants from Shining Path. Following this policy, the Peruvian Army, under General Arciniegas's command, promoted and protected coca-grower cops throughout the Huallaga Valley, knowing full well they were producing for sale to the Colombian mafia.

Peru is about to sign a new "anti-drug" accord with the United States. From all indications, it will be based on the anti-drug proposal Fujimori made after he rejected a Bush administration offer of \$36 million in military aid.

It is known that Fujimori's proposal was cooked up by the Institute for Liberty and Democracy, run by his adviser, Hernando de Soto, who is also George Bush's favorite Ibero-American economist. De Soto, through Fujimori, proposes that legal property titles be given to the coca-growing squatters in the conflict zones. De Soto argues that that would give the Peruvian state greater presence in the zone and a better shot at beating out Shining Path for effective control over it.

The Arciniegas and Fujimori-De Soto proposals have a lot in common. Both emphasize "winning over" the coca-growers. Both see the decisive issue as being whether or not those peasants work with the Peruvian government or with Shining Path. Hence, it is no surprise that many say the Fujimori-De Soto line entails legalizing cocaine production. Nor is it a surprise that General Arciniegas has openly praised De Soto's drug thesis, to which the United States is about to give its blessing and its money.