

As coca leaders, government talk

## US boosts military aid to Bolivia

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As coca grower leaders resume discussions with the Bolivian government, the Bush administration is substantially increasing military funding for the US-enforced “drug war,” paving the way for direct intervention.

Movement Toward Socialism (MAS) opposition congressman and coca grower leader Evo Morales backed down from his earlier demand that President Gonzalo Sanchez de Lozada resign, and suspended peasant mobilisations for a second time in a month. Morales reached an agreement on January 27 to set up “roundtable discussions” with the government.

Coca growers and farmers had joined last week’s mass protests in La Paz, the nation’s capital, to oppose proposed tax hikes and call for the government’s ouster.

Violent clashes with government forces were renewed when one farmer was killed and dozens injured as military police moved in to block peasants erecting barricades across the country’s major highway. This followed late January’s confrontations that resulted in 13 deaths, scores injured and hundreds of arrests, after Sanchez de Lozada deployed 7,000 troops and tanks to break up roadblocks.

The latest truce comes as leaders of the MAS claimed the government had backtracked on its policy to forcibly eradicate coca plantations in the tropical Chapare region. Peasant farmers are demanding an end to the compulsory eradication policy, which springs from an all-encompassing anti-drug law that imposes harsh penalties—including detention for up to three or four years on suspicion of dealing in coca.

Previously, coca farmers were offered financial incentives to voluntarily replace coca plants with legal crops. Under intense pressure from the US, the administration of the former dictator-cum-democrat, Hugo Banzer, pledged to forcibly wipe out coca plantations and gradually eliminate compensation payments to the farmers.

The act, known as Law 1008, makes it illegal to plant coca other than in the Yungas region, where it is grown by indigenous Bolivians for medicinal purposes and as a mild stimulant for high altitude sickness. Coca leaves is the base ingredient in the production of cocaine.

On February 18, the Internet site *Econoticias Bolivia*, reported the MAS leader as saying that the government had

agreed to allot coca growers a fifth of an acre per family for coca plantations. “We have requested half a hectare, but the fifth of an acre offered by the government is an opening and an advance,” said Morales.

But Marco Antonio Oviedo, Deputy Minister of Alternative Development, denied that any such agreement had been made. “We cannot agree [to the coca leader’s demands] because we are prevented by Law 1008, which indicates that the plantations in the Chapare region are illegal,” said Oviedo, reiterating what has been the official position since the coca eradication program was initiated.

The growth of coca production dates back to the severe economic crisis that wracked Bolivia in the 1980s. Faced with a fall in the price of tin, the country’s main export, the government shut down mining operations and imposed International Monetary Fund-sanctioned structural adjustment programs. These plans demanded the privatisation of state-run industries and a reorientation of the economy to cash crop exports.

Encouraged by a succession of military dictatorship, tens of thousands of families were forced back to the rural wastelands, many establishing coca plantations that supplied the multibillion-dollar North American and Western European cocaine market.

Following Washington’s “War on Drugs” policy initiated in 1988, Colombia, Peru, Ecuador and Bolivia imposed measures like Law 1008 to certify for financial aid and development assistance from the US and the European Union and loans from the World Bank and IMF.

Yet Bolivia has received little aid for having destroyed over 155,000 acres of coca in the last 13 years, a export crop that once earned up to \$500 million annually.

In 2002 the United States pledged \$47 million to so-called “alternative development,” that is, infrastructure projects to establish alternative crops—pineapple, tea, rice and palm hearts—that have bottomed out on the world markets. The European Union has made a one-off investment of \$30 million while the United Nations’ Drug Control Program has given \$44 million.

These amounts have far from alleviated the extreme economic hardships of the land-locked country’s 8 million

inhabitants. According to World Bank data, Bolivia, with a GDP of \$8.1 billion, has accumulated an enormous debt of \$5.8 billion. More goes to servicing the debt than is spent on education, health and other social programs combined. This is after the country qualified for Highly Indebted Poor Countries status in 1998, 1999 and 2000, resulting in the cancellation of \$3.5 billion of its debt.

Considered the poorest in South America at least since the mid-1980s, the Asian economic downturn that ripped through South America had a particularly devastating effect on Bolivia. Coinciding with a dramatic reduction of remittances from approximately 1.5 million Bolivians who work in Argentina was the skyrocketing of unemployment—now hovering at around the 25 percent.

Real incomes of wage workers in La Paz declined 2.2 percent annually over the last five years and average per capita incomes (of less than \$1,000) today stand at less than 1975 levels. Despite the country's 4.8 percent growth rate last year, 57 percent of the Bolivian people live on \$2 a day and over 70 percent of the population live below the poverty line.

Worst hit are the millions of rural workers, farmers and peasants who still live in primitive conditions with no running water, sanitation or electricity. These are the conditions that have driven many to cultivate coca, which can earn them up to four times the revenue produced by other crops. For most, however, even coca yields only a bare sustenance income.

The coca grower leadership headed by the MAS makes a virtue and a living out of promoting the expansion of coca plantations and the export of cocaine that has had a profoundly destructive impact on society as a whole and especially among the youth.

Contemptuous of the American and international working class, Morales commented some years ago that: "We Bolivian peasants demand of the US drug tsar that cocaine consumers be eradicated by force."

As part of a major increase in military funding to the Andean Ridge nations, the Bush administration has pledged to double arms aid to Bolivia. In 2002, \$54 million went to training, equipping and paying 1,500 former Bolivian soldiers to eradicate coca and perform interdiction operations. According to the Washington Office on Latin America they have "committed human rights abuses with impunity," torturing and killing hundreds of farmers since the program was initiated.

Washington's "war on drugs" is not aimed at stemming the narcotics trade. Rather, the billions spent on military operations in the Andean Ridge nations of Colombia, Bolivia, Peru and Ecuador—like the impending war against Iraq—are driven by US determination to control the region's extensive, strategic natural resources, and to suppress social unrest among the working class and oppressed masses.

In Bolivia, the immediate objective is the country's proven and potential natural gas reserves, estimated at more than 80 trillion cubic feet—the largest in the hemisphere. While many of

the world's largest oil companies are in the country—Madrid-based Repsol YPF, Shell, British Gas, BP and France's TotalFinaElf—by far the largest owner of Bolivia's oil and gas fields is Enron, the US energy giant that filed for bankruptcy last year.

The December 2002 edition of the *New Scientist* magazine reported that the Inter-American Development Bank had "approved a \$132-million loan for a natural gas pipeline through the Chaco forest on the border between Bolivia and Paraguay. The pipeline's promoter is the Bolivian national gas carrier Transredes" controlled by Shell and Enron.

The conglomerate began the Yabog pipeline in 1999, cutting through the last intact dry tropical forest in the world with funds from the Overseas Private Investment Corporation. OPIC cancelled the \$200 million loan shortly after Enron's collapse.

Enron's involvement with Sanchez de Lozada dates back almost a decade, when it acquired a 40 percent stake of Bolivia's national oil company YPFB, partially privatised under the current president's first tenure in 1994-97. As part of the agreement, Enron was granted the exclusive construction of other gas pipelines in the country and guaranteed an internal rate of return of 18.5 percent for the company's future investments and without having spent a cent.

On top of military funding and plans to establish three US military bases in Bolivia, the Pentagon is sending a force of 350 troops in May to participate in military exercises with the Bolivian army taking place—not coincidentally—in the resource-rich Chaco region.

As the Bolivian congress approved the entry of the US forces last December, Presidential Minister Carlos Sanchez Berzain offered assurances that the American military mission was simply to participate in civil works and was going to be "neither directly nor indirectly involved with the indigenous or coca question."



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