

# Wall Street's Coca Rebellion Lays Siege to Bolivia

by Cynthia R. Rush

As *EIR* goes to press, tensions are running high in Bolivia, as coca producers under the leadership of drug legalizer Evo Morales, president of the Andean Council of Coca Leaf Producers (CAPHC), continue to block the crucial highway between Cochabamba and Santa Cruz in eastern Bolivia, to protest U.S.-financed construction of three military bases, and President Hugo Bánzer's commitment to completely eradicate coca production in Bolivia by 2002. A dire economic crisis in the country, the poorest in South America, is fuelling the protests, which have been joined by 80,000 teachers striking for a 50% wage increase, and farmers demanding water rights.

At this point, Morales, whose CAPHC belongs to Fidel Castro's narco-terrorist São Paulo Forum, is threatening the government with a separatist offensive to turn "the entire tropic of Cochabamba into a free coca-producing zone," and make Bolivia a "mini-Colombia," free from "U.S. imperialism," which he equates with the coca eradication drive. While the government is negotiating with the "cocaleros," Interior Minister Guillermo Fortún has warned that if an agreement isn't reached soon, the only option would be military intervention to dislodge the protesters. Thus far, ten people have been killed in the month-long conflict between 15,000 coca producers and the police and military.

## A Bulwark against Terrorism

The upheaval in Bolivia goes hand in hand with an offensive by Wall Street and the City of London to overthrow neighboring Peruvian President Alberto Fujimori. If the Anglo-American financial oligarchy is to succeed in its strategy of creating "narco republics" throughout the region, Fujimori must be knocked out. His government has served as a bulwark against narco-terrorism and drug production, which is advancing with astonishing speed, and with Wall Street's blessing, in Colombia. In alliance with the Armed Forces, Fujimori defeated the murderous Shining Path and Túpac Amaru Revolutionary Movement (MRTA), and reduced coca production from 129,110 hectares in 1992 to 38,700 hectares in 1999. Within the last four years, overall coca production has been reduced by 66%.

Bánzer, the former military junta President of the 1970s who was democratically elected in 1997, has committed a

similar "crime," of trying to eradicate coca production in Bolivia—which is currently the third-largest producer in the world. With backing from the Clinton Administration, in 1999 he reduced cultivation in the major coca-producing region of Chapare by 68%—43% nationwide—and has set Dec. 15 as the deadline for eradicating all coca production in Chapare. The next goal will be to eradicate 6,000 acres of illegal coca production in the Yungas region by early in 2001.

According to the U.S. State Department's Bureau for International Narcotics and Law Enforcement Affairs' March 2000 report, the Bánzer government has also had an extremely effective chemical interdiction program, which has forced Bolivian traffickers to rely on substitutes for scarce and expensive chemicals smuggled in from abroad.

Bolivia is a glaring case study of how Wall Street forced a country into illicit drug production, beginning during the 1985-87 government of Víctor Paz Estenssoro, whose Finance Minister, Gonzalo Sánchez de Lozada, hired Harvard University's Jeffrey Sachs as his adviser. By 1987, their monetarist, free-market, and privatization policies wiped out productive activities, especially in the mining sector, and drove thousands of unemployed miners "into the coca-growing region to find work," as Sachs confessed in his 1988 study *Bolivia: 1952-1986*. Sánchez de Lozada's Presidency in the mid-1990s finished off the job he began with Sachs in 1985.

Bánzer vows he won't back down from coca eradication. But his plan to offer impoverished coca producers "crop substitution," can't work under conditions of worsening economic crisis and global financial disintegration, when no alternatives for real economic or industrial development are offered. The International Monetary Fund and World Bank demand that the government stick with their monetarist prescriptions, and are tying future aid to political reforms to shape Bolivian "democracy" according to Wall Street's anti-nation-state agenda. Limited action by the United States, the United Nations, and the Paris Club of creditors, to finance crop substitution and forgive some of Bolivia's foreign debt, hasn't begun to address Bolivia's urgent economic needs.

Bánzer has recently raised questions about globalization's aims, and he had been scheduled to travel to Japan for an official Oct. 1-8 visit, which he had to cancel because of the cocalero protest. The trip was to have included discussion of Japanese investments in the country, seen by Bánzer as a lifeline in an otherwise desperate situation. Moreover, three weeks or more of conflict has caused at least \$60 million worth of damage to the country's highways, whose repair cannot be easily financed. The blockade of all roads leading into the capital of La Paz, as well as to the agricultural centers of Cochabamba and Santa Cruz, caused food prices to skyrocket. Meat prices have doubled, and some vegetable prices have quadrupled, since the roadblocks began in mid-September. Even with Air Force airlifts to supply food to major cities, there are still shortages, and the blockade of roads to Chile and Peru has also caused losses in the range of \$120 million.