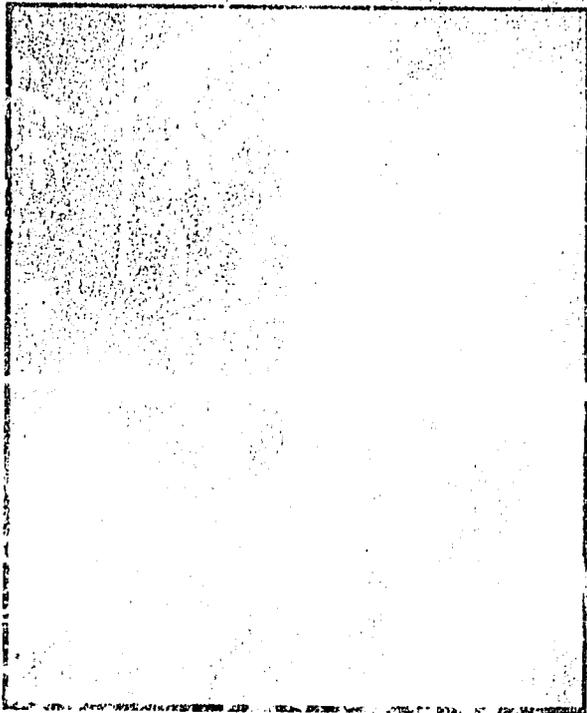


Cultural Survival Inc.

THE DIALECTICS OF DOMINATION IN PERU:

NATIVE COMMUNITIES AND THE MYTH
OF THE VAST AMAZONIAN EMPTINESS



Richard Chase Smith

OCCASIONAL PAPER

8

October 1982

Cultural Survival is a non-profit organization founded in 1972. It is concerned with the fate of ethnic minorities and indigenous people throughout the world. Some of these groups face physical extinction, for they are seen as impediments to 'development' or 'progress'. For others the destruction is more subtle. If they are not annihilated or swallowed up by the governing majority, they are often decimated by newly introduced diseases and denied their self-determination. They normally are deprived of their lands and their means of livelihood and forced to adapt to a dominant society, whose language they may not speak, without possessing the educational, technical, or other skills necessary to make such an adaptation. They therefore are likely to experience permanent poverty, political marginality and cultural alienation.

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THE DIALECTICS OF DOMINATION IN PERU:
NATIVE COMMUNITIES AND THE MYTH OF THE VAST AMAZONIAN EMPTINESS

An Analysis of Development Planning
in the Pichis Palcazu Special Project

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INTRODUCTION

On August 10, 1980, in the company of several cabinet members and selected foreign dignitaries, the recently inaugurated president of Peru, Fernando Belaunde Terry, made his first official visit to a small settlement of Puerto Bermudez, located on the Pichis River in Peru's Central Jungle. Belaunde announced during his visit that Puerto Bermudez would play an important role in Peru's renewed conquest of the Amazon as the center for a new government sponsored development and colonization project which would include an area of over 1 million hectares in the Pichis, Palcazu, and Pachitea valleys.

Within the next few months, top government officials announced in Lima's newspapers that the Pichis-Palcazu Special Project would create a new bread-basket in this tropical region for Lima, would reduce the overcrowding of Lima by resettling 150,000 people into the project area, and in the process would provide a million new jobs for the country's unemployed. When Manuel Ulloa, the Prime Minister and Minister of Economy, presented a package of development projects to the meeting of the "Club of Paris" in May 1981, in search of international financial backing, he unveiled the Peruvian government's plan to spend almost US\$1 billion in road construction, colonization schemes, and rural development in the upper Amazon Basin. The Pichis-Palcazu Special Project was just the tip of the iceberg.

The strategy for developing these tropical regions has changed little since Belaunde initiated his political career in 1957 with a program for promoting government-sponsored colonization along newly constructed "penetration roads" into the selva. Underlying this dream of tropical development, there is the classical political notion that social and economic problems at home can be conveniently dealt with through the conquest of new territories. To justify this conquest, an official myth is created which demonstrates the existence of a vast, bountifully productive, empty territory -- the Amazon Basin -- which awaits the enterprising individuals to settle it and harvest its riches.

In addition to ignoring the ecological, agropastoral, and economic realities of development activities in tropical forest regions, lessons which have been so expensively yet easily extrapolated from the Brazilian experience, this development strategy usually ignores the local social reality. In the case of the Pichis-Palcazu Special Project, the government chose to ignore the fact that the project area is homeland to some 8,000 Amuesha and Campa native peoples, most of whom are living in officially recognized Native Communities, and to some 5-8,000 settlers of Andean, criollo, and European origin who established holdings in the area throughout the past one hundred years.

In the light of the government's intentional oversight of the native population of the project area, it was evident that unless public pressure was applied to the Peruvian government and to the financial backers of the project, the Amuesha and Campa land base, and ultimately their existence as a distinct socio-cultural formation would be threatened.

Together with the representative organizations of the Amuesha and Campa, the Comisión Pro-Defensa de Tierras Nativas, a Lima-based coalition of human rights and Indian support groups, took up the defense of the native populations

living in the project area. The Comisión initiated a national and international campaign (coordinated by its member organization, COPAL Solidaridad con los Grupos Nativos) to radically modify the government's proposed project.

In addition to the question of Indian rights to land, resources, and autonomous development, many other issues were addressed in the course of the campaign. Among these issues were: the carrying capacity of the soils in the project area; the threat to a wide variety of ecological "communities" found within the area; the high cost and low economic return of the road and other infrastructural development; the capacity of the government bureaucracy to implement an orderly settlement of the area and to control pressure from spontaneous colonists; and the attempts made by individuals and corporations to secure from the government large timber and land concessions along the proposed route of the highways in blatant disregard for the rights and needs of the areas inhabitants, indigenous or not.

Faced with a well-informed opposition and growing pressure from its own constituency, the U.S. Agency for International Development (USAID), the principal source of external funding for the project, made some important changes in its position regarding the project. USAID refocused its interest in the project from road construction and colonization to natural resource management (compare Chapter VIIc with USAID 1981b; see Chapter VIIh). At the same time, USAID recommended that Indian land rights be supported by the Special Project. While many of the Special Project staff concurred with these changes, the President remained rigid on the question of Indian lands. In this document I explore some of the reasons why.

This publication focuses on the issues surrounding the Amueshas' and Campa's rights to their own land, resources, and autonomous development. It attempts to bring together documents generated by the public debate and by the official evaluations of the social and ecological aspects of the project area. It explores the dialectics of the Indian/non-Indian relations in an attempt to interpret the events, and conflicting interests highlighted by the Pichis Palcazu Special Project and to point the way to some possible solutions. This is particularly urgent at this moment as the Belaunde government consolidates its plans and finances for similar development projects in other areas of the Peruvian Amazon with indigenous communities.

CHAPTER I

THE CONTEXT

Peruvian Politics and Economy, 1960-1980

In 1959, an aspiring politician, Fernando Belaunde Terry, published a book in which he argued that the solution to Peru's pressing social and economic problems, and to the future integration of Latin America, lay in her vast Amazon region. He outlined a novel plan to conquer this region by combining the construction of a highway along the eastern flanks of the Andes with a scheme of feeder roads supporting new settlements of landless poor, agro-industry, and extractive industries. Significantly, he called his book "The Conquest of Peru by the Peruvians" (Belaunde 1959).

The notion that the Amazon offers untold riches to those brave enough to conquer them was by no means new. What was new about Belaunde's approach were his ideas of conquest of the Amazon through road building, and the integration of Latin America from the inside out, that is, through a network of roads linking the Amazonian portion of the continent. His proposal at first found greater acceptance on the international stage than at home. Belaunde was named president of the special commission formed by the Sociedad Interamericana de Planificación to study the feasibility of the Carreterra Marginal project.

With funding from the U.S. government, the North American consulting firm of Tippetts-Abbott-McCarthy-Stratton (TAMS) was contracted to carry out the engineering and location study of the Carreterra Marginal from Santa Cruz, Bolivia to the Colombian-Venezuelan border. This massive study, completed in 1965, concluded that 75% of the proposed highway (1780 kms of existing road and 2410 kms of new road) are "immediately feasible" at a cost of approximately US\$130,000 per km.* The study calculates that this effort would incorporate into the sphere of the national economies an area of 5,400,000 hectares on which 1,150,000 could be settled (Snyder 1967, p.96).

Despite the skepticism his proposal invoked in some quarters at home, Belaunde's politics of mild reform coupled with his dream of the Great Amazonian Alternative transformed him into a hero of the new national bourgeoisie and the burgeoning urban middle class. He became a close friend and ally of the U.S. government which openly embraced his "democratic reform" as an answer to the Cuban revolution. Belaunde was elected president of Peru in 1963 and his party, Acción Popular, was swept into power.

With the financial backing of the Alliance for Progress and the Inter-American Development Bank, the Belaunde government embarked on a much acclaimed program of Agrarian Reform. As many others have pointed out, one of the bases of this program was the resettlement of the rural landless from the Andean region to the upper Amazon area; the restructuring of the rural property regime surfaced only where the rural landless clamored for it.

With the completion of the TAMS study in 1965, the Belaunde government initiated several major penetration road/colonization projects: 1. The Jaen-San

*The cost of constructing the Palcazu branch road in 1981 is estimated at double this figure or US\$270,000 per km. (USAID 1981b)

Ignacio Project; 2. The right bank of the Apurimac River; 3. The Jenaro Herrera-Colonia Angamos Project; 4. The Tingo Maria-Tocache-Campanilla Project; and 5. The Alto Marañon Project. As these projects have been amply evaluated elsewhere it is sufficient to say that none of them came anywhere near fulfilling their initial goals, whether in terms of the number of people resettled, increases in the production of basic food commodities, or even the recovery of the extremely high initial investment costs (Martinez 1976; Santos 1980; Martinez 1981; CENCIRA 1974).

However, the combination of the new access routes, the government's promotion of the Amazonian region, and the high price of coffee on the international market provoked in some regions a massive movement of peoples - rural landless, members of Andean indigenous communities, urban unemployed, and entrepreneurs--into the high jungle, especially into the Central Jungle and into the area of the upper Huallaga (Durham 1977; Shoemaker 1981). It was this flood of settlers which pushed Peru's eastern frontier to the door steps of the dozen or so indigenous groups which traditionally inhabited this region. With their status as Peruvian citizens in doubt and no specific legal protection, these indigenous groups found themselves being pushed from their homelands, often with the use of violence.

While undoubtedly some people profited greatly from the "conquest of Peru by the Peruvians," others, especially the local indigenous peoples, were left landless, defenseless, and poor. By the late 1960s, several of these groups, notably the Amuesha, the Campa, and the Aguaruna, had begun to resist the incursions onto their lands and to demand that the state recognize the legitimacy of their claims (Congreso 1980, Smith 1969; Chirif 1974).

By that time, President Belaunde had more immediate problems to worry about than the tribal peoples of the Amazon: a worsening economic situation, a government racked by corruption scandals, and the festering sore of the International Petroleum Company, a subsidiary of Standard Oil of New Jersey. When the Belaunde government finally reached an agreement with the IPC over the exploitation of the Brea and Pariñas oil fields in which the issue of back taxes was brushed aside, the army, with claims of rescuing the National Dignity, moved its tanks into the President's palace and sent Belaunde into exile.

There followed twelve years of military rule in Peru: 6 years (1968-75) with General Velasco in charge, and 6 years (1975-80) with General Morales Bermudez in charge. The Velasco government introduced a wide range of basic reforms to deal with the pressing social and economic problems of the country. These included the agrarian reform, initiated in June, 1969, which cooperatized all the large sugar and cotton estates along the coast, and expropriated and either redistributed or restructured the rest of the country's large and medium sized land holdings. The education reform reorganized Peru's education system, updated all the text books, and brought the universities into a single coordinated system. The industrial reform aimed to give workers a greater share of company profits and ownership.

The government created a new social property sector and made capital available for the creation of worker-owned and managed enterprises. Basic industries such as oil, mining, communications, cement, and fishing were nationalized and put under state control. In foreign affairs, the Velasco government won the admiration of most of the Third World for its strongly independent, nationalistic, and Third World stance in foreign policy.

To pay the bill for all this, the government borrowed heavily from foreign sources, gambling on three potentially large foreign exchange earners to repay the loans: oil from the Amazon, copper from the nationalized mineral concessions, and fishmeal from the nationalized fishing industry. Between 1971 and 1975 Peru's foreign debt, mainly to Japan and to consortium banks dealing in Eurodollars, climbed from under US\$1 billion to US\$4.5 billion.

By 1975, it became clear that Velasco's gamble was not paying off: oil discoveries in the Amazon were not as significant as had been expected; the anchovy, raw material for the fish meal industry, disappeared, literally closing down the industry; and while copper production continued high, the world price for copper fell drastically. During 1975, payments and interest on the new loans came due; it wasn't clear if Peru would be able to pay or to get refinancing for its debts.

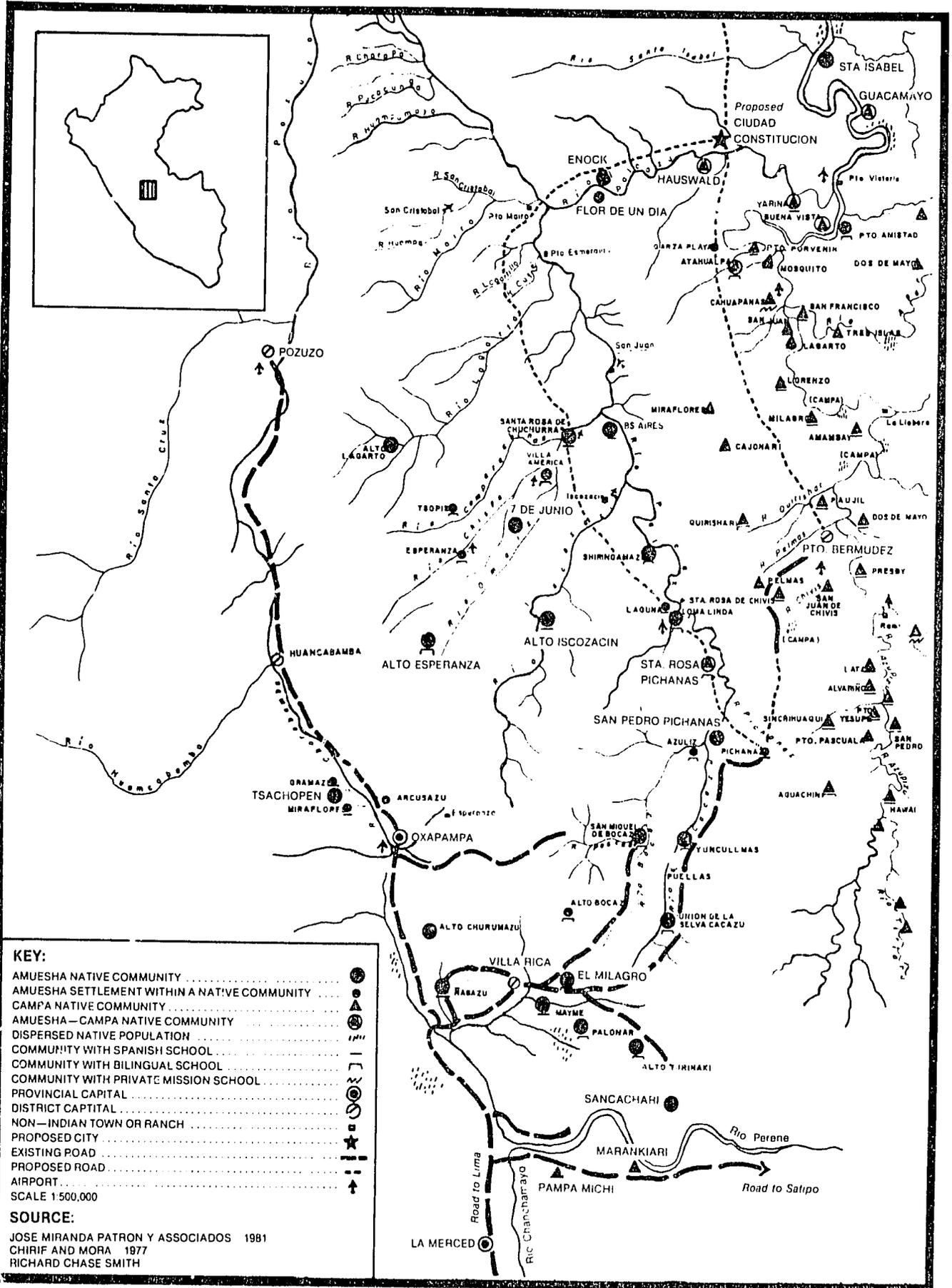
When it became apparent that the Velasco government represented a political opening for Peru's marginalized majority, those few people actively advocating the interests of the Amazonian indigenous populations pressed for legislation guaranteeing the basic rights of these peoples. For a variety of reasons, the pressure on the native land base in the high jungle slackened during the Velasco regime: the new agrarian reform raised hopes in rural areas that new lands from expropriated estates would become available nearer home; the Velasco government, while carrying on with some of Belaunde's penetration Road/Colonization projects, clearly de-emphasized the Amazon as a solution to Peru's problems; and finally coffee prices fell during this period forcing many new settlers to abandon their land claims.

In June 1974, the Velasco government promulgated the Law of Native Communities and the Promotion of Agropastoral Development in the Jungle Region (Law #20653). This law, while clearly the most advanced legal document dealing with native peoples in South America, is none-the-less the result of a compromise between those in the government who advocated one variant or another of the current Brazilian model of economic development in the Amazon which would either eliminate or radically detribalize and deculturate the native peoples, and those who advocated the rights of native peoples to their own way of life, and their own autonomous territories, while guaranteeing them some of the benefits of the economic development of the region without making them either its victims or instruments (Chirif and Mora 1977; Smith 1979).

The most important of the 19 articles of this law which deal with Native Communities are the first three which define the new social unit called "Native Community," stipulate its membership, and grant official recognition for its legal existence; and the second three articles in which the state guarantees the integrity of the Native Community territory and obligates itself to issue a land title to each legally recognized community for its communally held lands. The other 13 articles attempt to regulate the relations between the Native Community and the national government and society.

Those in charge of implementing this law and the advocates of the native communities began the task of locating native settlements, informing the native population of their new rights, registering the settlements as Native Communities, and demarcating the community territory. In some cases - the Amuesha, the Perene Campa, many of the more accessible Aguaruna settlements, some of the Ucayali Shipibo settlements - this work had already been completed in anticipation of the law and the legal documents guaranteeing the communities and their lands were forthcoming without unreasonable delay.

1 LOCATION OF THE NATIVE COMMUNITIES IN THE PICHIS PALCAZU REGION



Throughout 1975, the pressure on General Velasco to slow down his reforms was mounting within the conservative ranks of the military and amongst their allies, the country's economic elite. In August 1975, a quiet palace coup took place in which General Morales Bermudez, a conservative member of Velasco's cabinet, replaced the physically ailing Velasco.

It soon became clear that, plagued by a mounting financial crisis, the new government intended to follow the dictates of the International Monetary Fund to keep wage increases at a minimum, to lower government subsidies on basic foodstuffs and gasoline, to devalue the local currency, to sell the public companies to the private sector, and to increase the incentives to private investment by both local and foreign interests.

The policy reflected by the IMF demands was clear: Peru must return to a straightforward dependent capitalist economy in order to receive the needed standby credits, and the urban and rural poor must pay the price. The acceptance of this program cost Morales Bermudez's government the political support of virtually all the urban and rural workers; it became evident that the program could only be enforced through an increasingly repressive silencing of the vast opposition.

By 1977, it was clear that the Morales Bermudez government had no intention of implementing the Native Communities Law in favor of the indigenous population. The bureaucratic machinery handling the recognition of Native Communities and the demarcation and titling of lands had ground to a halt. At that time, about 40% of the existing native settlements of the Peruvian Amazon had been officially recognized and only about 30% had received title to their lands.

In 1978, the government replaced Law #20653 with Law #21175. under the same title. While the section on Native Communities was virtually unchanged, the rest of the law was re-oriented towards the granting of large land and forest concessions in the Amazon to private investors.* Despite increased pressure on the Morales Bermudez government by Indian and support organizations to step up the land titling process, and despite offers of private financing for such programs, no land titles were forthcoming during the last three years of the military regime (Chirif and Mora 1977).

In 1979, with the country's financial situation improving, Morales Bermudez called for elections of a Constitutional Assembly which, by rewriting the nation's constitution, would establish the basis for a return to civilian government. The new document, while lengthy and rather unwieldy, contains some important new elements. For the first time since Peru became an independent republic, the new constitution, in its articles 161 and 163, grants legal recognition to the native communities of the Peruvian Amazon and declares their lands inalienable, unless a two-thirds majority of the community agrees to dissolve the communal land holdings.

* Recent revelations have linked this change specifically to pressures from Italian creditors in favor of the Somoza-owned Central American Services Company. In 1978, this company was tentatively awarded a 300,000 hectare concession in Madre de Dios for cattle ranching.

Indian and Peasant organizations immediately pointed out that this last article could act as a double-edged sword: while on the one hand, native communities had for the first time constitutional grounds for defending their lands, there were also constitutional grounds for dissolving the communal land base of an Indian community. This raises, once again, the spectre of the disintegration of the indigenous land base by unscrupulous interests who would rebuild the latifundio system or establish new agribusiness bases with multinational ties.

Elections for a new civilian parliamentary government were held in May 1980. Fernando Belaunde Terry, and his Acción Popular Party won an impressive victory. Although Belaunde's program was not very clearly spelled out to the Peruvian public during the election campaign, he made it clear in his inauguration speech on July 28, 1980, that once again the Amazon region would play a key political and economic role.

A close reading of his address reveals that the only concrete proposals announced at that time was a plan for an immense hydroelectric dam on the Ene River, the last stronghold of the traditional Campa, and colonization and agro-industrial development along a new portion of the Carreterra Marginal in the Central Jungle. In Belaunde's own words:

After a long process of agrarian reform, the country is now convinced that the problem of production cannot be solved with a simple change in land tenancy, but rather with the extension of the agricultural frontier and an increase in productivity. The experience in the Department of San Martin shows us that on the eastern flanks of the Andes Mountains, we find the most economical and the most immediately productive lands for colonization...

A basic task (of our government) will be the expansion of food producing areas for Lima into the region between Mazamari and Tambo River, and Villa Rica, by way of the trail under construction at this moment towards Puerto Bermudez which will eventually connect with the road to Pucallpa. We propose to carry forward an exhaustive colonization study for promising settlements along the 300 kms. of new highway. To the south, this development project will adjoin the proposed hydroelectric dam on the Ene River and the new Central Lake...To the north, it will be near the proven deposits of natural gas in the Aguaytia region. Thus excellent ecological and climactic conditions with an ideal elevation will be combined with abundant energy reserves. Both sections of highway are part of the Central Portion of the Carreterra Marginal as outlined in the TAMS study (El Comercio, 29 July 1980).

It came as no great surprise, then, when, ten days later, Belaunde flew to Puerto Bermudez to announce that his government will promote a "great axis" of colonization along the new marginal highway to be constructed through the Pichis, Palcazu, and Pachitea valleys.

The Campaign in Defense of the Pichis-Palcazu Region: Factors in its Success

It was evident that the national and international response in defense of the tropical environment and the Amuesha and Campa rights in the Pichis and Palcazu valleys took the Belaunde government by surprise. While some tried to blame the government's initial response on their ignorance of the existing conditions in the project area, in fact their ignorance was much more profound. The twelve years which Belaunde and his top aids had spent in exile or self-imposed exile in the U.S.A. left a large gap in their understanding of the profound political and social changes which had occurred in Peru.

Belaunde's program for conquering and developing the Amazon might have proceeded relatively unnoticed, at least without protest, if it were not for a number of different factors. Because of limited space, I have selected four of the most important ones to look at in detail.

1. The Belaunde government set the snare into which it eventually fell by using the Pichis-Palcazu Special Project as a political platform for gaining popular support. This decision led the government to do four things common to all politically motivated programs: to claim to do the impossible; to give their claims widespread publicity; to ignore reality; and to dismiss those not in agreement as agents of opposition parties.

Through its own press releases, the government grossly overstated the productive potential of the area, whether in terms of solving the growing food problem, especially for the capital city, of solving the crisis in meat production, or of converting Peru into a net exporter of lumber (see Chapter VIIb of this document). The recent evaluation of the Palcazu valley resource base conducted by the USAID put to rest these claims by demonstrating that the area was at carrying capacity with its present population (Miller and Martinez 1981; JRB Associates 1981; Pool 1981; Staver 1981; Tosi 1981).

Until those participating in the campaign raised the issue of the current population of the project area, the government had only made vague claims as to its emptiness. Nothing was said of improving the livelihood of either the native residents or of the poor colonists already living there. The local elite, those with large cattle ranches or commercial interests, were assured that their interests would be protected. The dominant group was well represented at the first internal review of the Special Project's program held in CENCIRA (Lima) in January 1981 (PEPP 1981a). Representatives of the Native Communities and the poor colonists were noticeably absent. From the outset, then, the government effectively alienated the less powerful peoples of the project area from participating in the project design as either planners or as beneficiaries.

When members of a team working on a land demarcation and titling project in the area under the auspices of the Ministry of Agriculture, the Swiss Technical Cooperation Program, and the Centro de Investigacion y Promocion Amazonico (CIPA) voiced their concern over the government's new plans, the Minister of Agriculture closed down the project, accusing the participants of being "undesirable political activists" (Rivera 1981).

Several months later, when the Special Project was facing severe international criticism, project officials, in a high level report to the President, accused opposition political forces of exploiting the issue of Indian land rights to discredit the government of Accion Popular. "The main action of the Special

Project in this respect," the report says, "is to neutralize those opposition forces" (PEPP 1981d:). In its attempt to render impotent all those with legitimate grounds for criticizing the government's model for development, the government alienated the small but vociferous and well-informed groups advocating indigenous people's rights.

2. During the twelve-year lapse between the first and second Belaunde governments, the native population of the Pichis-Palcazu area developed a new level of political unity through their fifteen-year struggle to defend their territorial base. This unity expressed itself in the relative efficacy of their new community organizations and inter-community Congresses to represent the political will of their constituencies and to respond to infringements of their rights (Congreso 1980; Chapter III).

In the absence of a clear traditional form for exercising political authority, each Amuesha and Campa community organized a board of directors which received its authority from the Assembly of all community members. The representative of the board and of the community is the AMCHATARET in the Amuesha case, and the CORACA in the Campa case.

Since 1969, all existing Amuesha communities joined to form the Amuesha Congress, a representative organization composed of the Amchataret and one delegate from each community. In turn the Congress elects a board of directors, presided over by the President. In addition, the Congress names a representative of all the Amchataret, a kind of chief of chiefs, called the CORNESA.

In 1975, the Campa of the Pichis who enjoyed relative isolation and little direct threat from colonization until that time, were invited to participate in and observe the Amuesha Congress. In 1978, they formed their own organization, the Campa Congress, modeled after the Amuesha organization. Like the Amuesha, they elected a chief of chiefs whom they call the PINCATSARI.

When the government announced the Special Project and made no mention of guarantees for Indian land rights, the Amuesha and Campa community organizations responded rapidly by sounding an alarm in the communities. When the government closed down the CIPA-COTESU land demarcation and titling project, the two Congresses coordinated with the Comisión Pro-Defensa to send delegations to Lima in order to present their protests directly to the government (see Chapter VIIe). By the time the government made an attempt to pacify the fears in the native communities six months later, the Amuesha and Campa were well enough versed in the government's plans to realize the hypocrisy of that attempt.

3. The area chosen by Belaunde to renew his conquest of the Amazon was by no means virgin. Over the past fifteen years it had been the object of numerous scientific studies, development project feasibility studies and proposals, and actual projects aimed at different segments of the population (COTESU 1979; INP 1976; ONERN 1970; INP-PNUD 1977; Smith 1977). As a result, there was a large accumulation of information on the area and a number of professionally trained people familiar with the people, ecology, and the productive capacity of the area. In addition, some of these people had experience in government service and others in the administration and implementation of rural development projects.

As the government made more and more preposterous claims for the Special Project to the detriment of the local population and ecology, many of these scientists and professionals joined their voices to the growing opposition to

the penetration road/colonization model of development. As a result, those opposed to the project were far more knowledgeable with the project area and its people, and commanded far greater and better quality information than did the government. The opposition gained an obvious advantage as a result.

4. Fifteen years of struggle for the land and other rights of the Amazonian indigenous peoples produced a fairly well articulated community of Indian organizations and advocacy groups in Peru. While relations between all members of this community were not always harmonious, by and large cooperation and communication came to the fore in the face of an emergency. In 1979, faced with government intransigence on recognizing and titling native lands, six non-Indian and one Indian organization agreed to establish a broad-based coordinating body which could act rapidly and effectively in cases of infringements of Indian land rights. This body was called the Comisión Pro-Defensa de Tierras Nativas.

The Indian member-organization is AIDSESP, the Inter-Ethnic Association for the Development of the Peruvian Selva, a loose federation of a dozen or so Amazonian Indian organizations which represent the local Native Communities. The non-Indian member organizations are:

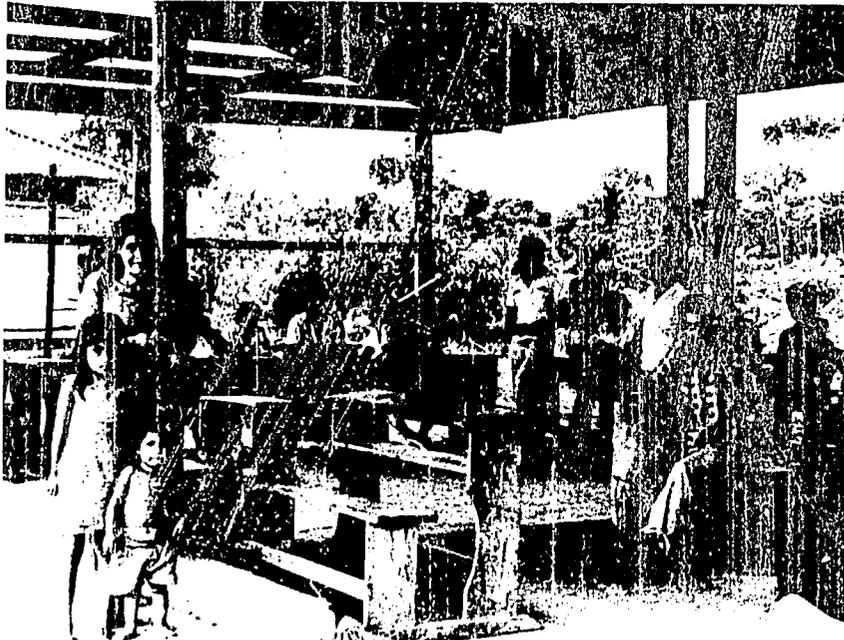
- a. the Centro Amazónico de Antropología y Aplicación Práctica (CAAAP), a Catholic church-sponsored organization of priests, nuns, and laypeople interested in the affairs of tribal populations;
- b. the Comisión Episcopal de Acción Social (CEAS), a high level group within the Catholic Church which aids and defends Peru's large rural population;
- c. the Centro de Investigación y Promoción Amazónica (CIPA), an independent organization of professionals who work on projects related to Native Communities;
- d. COPAL Solidaridad con los Grupos Nativos, a coalition of individuals who work with Native Communities and advocate their defense;
- e. the Comisión Nacional de Derechos Humanos (CONADEH), the best known and most active human rights organization in Peru; and
- f. the Seminario de Estudios Antropológicos de Selva, a San Marcos University-based group involved mainly in research projects.

The existence of this articulated network within Peru and the willingness of its member organizations, especially COPAL, to take an active interest in the Pichis-Palcazu case were crucial factors in bringing the situation of the Amuesha and Campa to the attention of the public and government officials (see Chapter VIIId of this document; COPAL 1981).

However, just as important was the capacity of the international network of organizations active in social and environmental issues to bring pressure on the Peruvian government and on the prospective financial backers, especially USAID. This network is becoming increasingly more effective in mobilizing world public opinion and in reaching the decision makers in both government and industry. Within a month after the Comisión Pro-Defensa alerted this network of the imminent threat to the Campa and Amuesha people, the Pichis-Palcazu Special Project became an international issue, reported on in at least

twenty international newsletters, magazines, and newspapers (see Chapter VII f,g,h,i,j).

Some of the members of this network which contributed to these efforts are: Anthropology Resource Center (Boston), Council on Hemispheric Affairs (Washington, D.C.), Cultural Survival (Cambridge, USA), Gesellschaft fur Bedrohte Volker (Germany), International Work Group for Indigenous Affairs (Copenhagen), Natural Resource Defense Council (Washington, D.C.), Survival International (London), Survival International (Washington, D.C.), and several others.



Community Meeting
in Amuesha School

Photo: Charlotte Miller



The Amuesha Cultural Center

CHAPTER II

THE DIALECTICS OF DOMINATION:

TOWARDS AN UNDERSTANDING OF INDIAN/NON-INDIAN RELATIONS

The position of the Belaunde government towards the indigenous population of the Amazon region must be understood in the historical context of relations between Indians and non-Indians in Peru. Since the European invasion of the Americas, these relations have always been rooted in the continual struggle between the dominated Indian peoples who defend their territories, their communities, and their way of life, and the dominant non-Indian peoples who systematically attempt to negate them as historically different nations and incorporate them into the dominant political, economic, and social structures. This struggle conditions the interaction between these two segments of Peruvian society.

Historical Roots of Indian/Non-Indian Relations

The basic structure of Indian/non-Indian relations is a product of the expansion of the European centered world economy with its ideological underpinnings in the fifteenth and sixteenth centuries. That expansion was complex, but a key part of it was the demand for increased capital accumulation in Europe. This expanding economy was forced to seek abroad materials for commerce, new markets for European products and sources of capital itself--gold and silver. Thus began three hundred years of direct European domination over the lands and peoples of the Americas (Wallerstein 1979, 1980).

The economic and cultural expansion of Europeans into the Americas produced a confrontation between radically different civilizations. From the European point of view, they were confronting a new category of humanity whom they labeled "Indians" and thought of as a homogeneous mass of radically different human beings. With the consolidation of political control over these Indians, the confrontation became transformed into an institutionalized relation of domination, one between the invader and the invaded, and between the European and the Indian.

The Spanish invaders of the Americas were not interested in establishing an equal trading relationship with the Indians. Because they viewed the Indians categorically as "conquered" peoples, the invaders assumed the right to extract from them and their lands spoils of conquest. They imposed, through force when necessary, unequal economic relationships: surplus production was accumulated in the European center of the empire. This situation of inequality was transformed into a second structured relation of domination: that between empire center and peripheral colonies (Wallerstein 1980; Stein and Stein 1970). These two relations of domination--non-Indian/Indian and center/periphery--determined the patterns of economic, political and cultural development of the Spanish/American empire during its three hundred-year existence.

The emergence in Europe of the ideology of Liberalism along with the modern nation state in the late eighteenth and early nineteenth centuries profoundly affected relations between the Spanish metropoli and her colonies, and between the Indian and non-Indian elites in Peru. The social forces responsible for the creation

of the nation-state were the same forces responsible for the emergence of modern industrial capitalism: the rising class of individuals who were accumulating capital from commerce and industry and who wanted to translate their growing economic power into political power.

This capitalist class clearly felt that the political structures of both the centers in Europe as well as those of the colonial periphery hindered the process of capital accumulation through the restriction and monopolization of trade, through policies, and restrictions on the conversion of land into private, exchangeable property. These structures also impeded them from participating directly in the political life of the state and from guiding the states in ways which would favor capital accumulation.

The rising bourgeoisie combined their own economic interests with the seventeenth and eighteenth century cultural movements towards individualism and rationalism to produce a new economic and political ideology which became the central feature of modern industrial European culture (MacFarlane 1979; MacPherson 1962). This ideology was called Liberalism.

Adam Smith is generally looked to as the one who gave this ideology its specific economic application. What could be more rational and more beneficial to the whole nation, he argued in his *Wealth of Nations* in 1776, than a system which allowed each individual the freedom to pursue his own interests unimpeded by other members of society (A. Smith 1976).

Smith, followed by Ricardo and Mill, developed the notion that the emerging states should not intervene in either commerce or in industry to form monopolies or in other ways restrict the right of the individual to pursue his own economic interest. Allowed to function "naturally", a system based on individual self-interest was believed to stimulate development and to eliminate poverty. The role of the state should be limited to maintaining public order and to defending the individual's right to property and to make contractual agreements (A. Smith 1976; Meier and Baldwin 1964).

The American and French revolutions carried this new liberal ideology into the political sphere. Reforms aimed towards the rationalization of the state included the implementation of government by constitution and by elected parliament, and the suppression of privileges based on birth, status, and tradition. These changes put the bourgeoisie individual, as citizen and as property owner, squarely in the middle of the political process.

Liberal ideology played a significant role in the independence movements in Spanish America in the nineteenth century (Bonilla 1980; Dobyns and Doughty 1976; Delran 1978; Kaplan 1969; Vasconi 1969; Worsley 1982). The rigidity and inefficiency of the colonial system continually frustrated the emergence of a dynamic capitalist sector in the urban centers of the empire. Inspired by the ideas of classical Liberalism which spoke to their own economic interests, the criollo elites of the peripheral areas severed Spain's political control over her American colonies. Initially, they attempted to establish independent liberal regimes in which the state was controlled by the criollo elites in order to open their trade relations within the hemisphere and with the rest of Europe, especially with England, and to free Indian land and labor from Spanish Crown control for more intensive and direct exploitation.

However, political independence from Spain did not alter fundamentally the relationship between the South American republics as peripheral areas subordinated to Europe as the dominant center. English industrialists, by financing the Peruvian war of independence and many early republican regimes, gained a dominant position in Peruvian economic affairs. For example, English merchants flooded the Peruvian market with English cloth and monopolized the wool trade. Others gained exclusive and lucrative contracts for exploiting and exporting Peruvian guano, an important source of fertilizer for English agriculture (Bonilla 1980; Bonilla and Spalding 1972; Kaplan 1969).

Internally, political and economic power became even more concentrated in the few urban centers, especially in Lima. Increasingly, rural areas were squeezed through taxation and the expropriation of surplus production to support state expenditures and the lavish life styles of the urban elites.

In the spirit of Liberalism, San Martin and later Bolivar, declared the elimination of the Indian as a distinct sector of Peruvian society and their incorporation into the Peruvian polity as citizen and property owner (Bonilla 1980; Delran 1978; Dobyns and Doughty 1976). On April 8, 1924, Bolivar decreed the abolition of the indigenous community and the redistribution of the communities' land to each individual head of family. His declaration states:

1. The state will sell all lands which pertain to it...;
2. This does not include the lands held by the so-called Indians; at least not before declaring the Indians legal owners of their lands so that they can sell them or alienate them as they see fit.
3. Those lands called community lands will be distributed amongst all the Indians who have no lands, and who will become owners of them as stated in article 2; lands left over from this distribution will be sold according to article 1. (Delran 1978, p. 123; author's translation.)

These reforms initiated and legalized a century long process of dismantling indigenous communities and of alienating indigenous peoples from their lands. With the rise in demand for wool, cotton, and sugar in the European market, a new kind of agricultural property, the latifundio or hacienda, and a new system of agricultural exploitation based on modern capitalist principles arose in Peru at this time. (Bonilla 1980; Burga 1976). Once the state imposed a regime of individual private property on the Indian population, local mestizos, criollo landlords, and foreign wool interests among others, used every means at their disposal - lawsuits, mortgages, bribes - to alienate and accumulate Indian lands (Dobyns and Doughty 1976, especially pp. 165-68). As non-Indian properties grew to hundreds of thousands of hectares, indigenous communities disappeared.

Yet despite the intentions of the early liberators, the indigenous peoples remained Indians in the eyes of the non-Indians. The republican regime subjected Indians to increased exploitation and to a new form of tribute, the Indian tax (contribucion de Indigena) (Bonilla 1980). It wasn't until 1920 that pressure from Indian resistance and from pro-Indian groups in Lima led to constitutional recognition of Indigenous Communities as legal entities and of the inalienability of community land. The history of Indian peoples in Peru during the first century of the republican era is only just being written (Smith 1982; Piel 1976; Wilson n.d).

In the middle of the nineteenth century, racial and cultural evolutionary theories added new twists to Indian/non-Indian relations. These theories affirmed that the development of human civilization took place along a linear tract which ranged from barbarism at one end to civilization at the other. The differences between the dominant European oriented non-Indian and the dominated Indian were explained by the assertion that the latter were located at points closer to the barbarism end of the scale, while the former had already reached the peak of cultural and racial evolution, modern Western civilization.

Legitimized by its association with Europe's academic circles this theory, turned ideology, provided a new "scientific" basis for justifying domination over the Indian by the European oriented elites: Indians were claimed to be less evolved and less civilized aspects of those who dominated them. With this new foundation in the ideology of social and material progress, racism and cultural discrimination were revitalized as tenets of modern colonialism.

Throughout the past 450 years, the patterns of non-Indian settlement and economic exploitation of native peoples in Latin America, and the resistance offered by the native peoples has been greatly influenced by the regional density of the indigenous population. Throughout this past century, those demographic differences have become even more exaggerated. In many areas of Andean and meso-American, the indigenous peoples continue to outnumber the non-indigenous peoples. This contrasts sharply with other areas such as Brazil, Argentina, and Chile, where the native population was reduced and that of the non-native immigrant increased to the point where the latter now constitutes the vast majority.

Superimposed on these demographic differences are sharp contrasts in the way in which the indigenous peoples interact with the non-Indian society. In many areas of the Amazon lowlands, Indian peoples live in relative isolation, with some degree of political and cultural autonomy. Their economic relations with the non-Indian society is often mediated through a local patron. In the Andean area, Indian peoples have a degree of cultural autonomy within their own communities, but interact with the dominant society by supplying important quantities of food products to the market. In other rural areas, Indian peoples provide cheap labor through a variety of exploitative arrangements.

In the cities, especially Lima, large Indian populations who immigrated from the countryside live in slum conditions, and fill the ranks of industrial and service workers and the urban unemployed.

Current Interpretations of Indian/Non-Indian Relations

Are Indian industrial workers still Indians? Or have they become an urban proletariat? Are there any common elements that permeate the relations which Amazonian, Andean, and urban Indians maintain with the dominant societies? How do we interpret this apparently complex field of Indian/non-Indian relations? Many different and often conflicting interpretations have been put forward by national and foreign intellectuals, by local politicians, and more recently by Indian peoples themselves.

However, viewing them from a distance, it is clear to this author that underlying this variety of interpretations there are two fundamentally different approaches to the situation. Some assume that the European domination of the Indian is a

natural occurrence, the inevitable unfolding of history, while others assume that the situation of domination is the result of particular historical development. This distinction is important as it clarifies some of the factors which condition both the interpretations of the current Indian situation and the solutions offered to remedy it. It also explains why some interpretations and solutions are unacceptable to Indian peoples.

It is common for members of the dominant classes to explain their relations with Indian peoples by claiming the superiority of the Caucasian race and of Western culture. It is natural, they assert, for a superior race or culture to dominate and lead an inferior one. Often this argument is disguised by shifting the responsibility onto the Indian: the assertion is that the Indian is responsible for his own misery because of his incapacity to integrate himself into the market economy.

Some of those who advance this interpretation nevertheless offer hope for the Indian--with the proper amount of education, hard work, and discipline, the Indian might advance several evolutionary stages in a single leap to improve his lot. While anthropology has demonstrated that there is no basis to claims of racial or cultural superiority, nonetheless, such claims persist.

Marxists, together with some non-Marxist segments of the dominant society, use the theory of the natural advance of economic progress to support the claim that Indian societies and cultures represent an outmoded stage of material development. As such, they must inevitably give way to more advanced formations.

The non-Marxists, who use these arguments, often equate economic progress with their own economic interests. They use the argument to justify the incorporation of the Indian into the labor force for their industries and into the consumer market for their products.

Marx, and subsequently his interpreters, equate economic progress with the evolution from the initial stage of primitive communism to the current stage of capitalist development. As capitalism evolves towards its culmination as a universal mode of production, many Marxists argue that the obsolete modes of production found in Indian communities will inevitably change; relations of production consonant with the capitalist mode of production will evolve. Indians will cease to be Indians in any but the most folkloric of ways, and will naturally merge their identities with that of the international culture of the proletariat. As part of the international proletariat, they will advance to the next stage of universal communism.

These interpretations, whether based on racial or cultural evolution, or on the "natural" advance of economic progress, have the same consequences for Indian peoples and cultures. The Indian situation will improve, they assert, when Indian societies advance from backwardness and primitivism to the advanced stage of the dominant group. It follows then that the many different indigenous societies must integrate themselves politically into the dominant state structure, incorporate themselves into the dominant mode of production, and assimilate themselves into whatever the dominant group chooses to call "national culture". The future offered to Indian peoples by those who espouse this line of reasoning is a single homogeneous society interwoven with non-Indian Western culture as the sole basis of the nation-state. In effect, Indian communities and cultures would disappear into the bosom of those who invaded and dominate them (Varese 1979a).

While this solution may be a logical consequence of the interpretations given, it is not a natural consequence of linear evolutionary development. History itself negates the inevitability of any of these solutions, for even after 500 years of domination and exploitation, Indian societies, modes of production and cultures are alive and struggling today. Indigenous societies have refused, from the moment of invasion, to accept as inevitable their annihilation as an historically different expression of humankind.

Yet, it would be foolish to throw out the baby with the bath water. There is a qualitative difference between the Marxist politician's solutions to the Indian situation based on dogmatic adherence to ideological explanations, and the Marxist intellectual's in-depth historical analyses of particular cases of the expansion of the capitalist mode of production and its effects on non-capitalist oriented peoples. In this sense, Marxist analysis still offers some of the clearest historical interpretation of the economic bases of the current reality faced by Indian peoples.

It is true that today very few Indian societies in the Americas are isolated from the capitalist market economy. Dozens of studies, some from a Marxist perspective and some not, have documented how Indians, as part of the broader rural sector, are victimized in their relations with the metropolis dominated market. This exploitation may be evident in the low prices they receive for their products and the high prices they pay for consumer goods and capital inputs, the low wages they receive as laborers, the harsh conditions and long hours of work in the mines, plantations and local industries (Bodley 1972; Davis 1977; Shoemaker 1981).

The growing disparity in capital accumulation between the industrialized metropolis and the raw material and food producing periphery, between the urban and rural areas, has produced, and in many cases, institutionalized relations of domination and dependence between them (Cardoso and Faletto 1969, 1977; Dos Santos 1969; Foweraker 1982; Kaplan 1969; Shoemaker 1981; Velho 1973). This explains in part the ease with which the industrialized metropolis are currently expanding into the far corners of the earth in search of untapped natural resources. The powerful combination of local elites and their governments, transnational corporations and banks, and the governments of the industrialized metropolis has disrupted rural communities, expropriated Indian and peasant landholdings, and annihilated entire indigenous societies in their recent attempts to secure strategic materials (Arvelo Jimenez 1982; Davis 1977; Davis and Mathews 1976; Smith 1979). We cannot ignore these many faces of capitalist expansion in the Americas as part of the historical development which today dominates and oppresses Indian societies. Marxist analysis has a great deal to contribute to our understanding of these processes.

However, within the past decade, Indian groups have challenged the Marxist monopoly as spokesman for the oppressed by offering new interpretations and solutions to their situation (Bonfil 1981c; Pop Caal 1981; Indianidad 1979). They argue that the situation of the Indian is not the result of his own backwardness nor simply of capitalist exploitation. It is the result of the economic, political, and cultural domination of a wide range of indigenous civilizations by those of an alien civilization, a situation initiated with the European invasion of the Americas. The Indian situation is fundamentally a colonial situation (Declaración de Barbados 1979).

As one spokesman for this interpretation has so aptly argued, the category of humanity known as American Indian came into being when the Europeans invaded and settled the Americas. Before that moment, there were no "Indians," but rather peoples

of many distinct nations, each with its own language, culture, history, and identity. The European invaders reduced this complexity to a single category, Indian (Bonfil 1971, 1981a).

Indian, then, exists in opposition to invader, colonizer, and the one who dominates. The initial confrontation was transformed into a structured relation between dominant and dominated which, enriched by a variety of transformations reflecting later historical trends, continues to condition Indian/non-Indian relations today (Varese 1979b; Bartolome 1979).

This reinterpretation of Indian/non-Indian relations goes hand in hand with recent work by historians attempting to de-mystify the official history of Latin American independence from Spanish colonialism. When the Latin American achieved political and economic independence from Spain after a long series of military confrontations, the relations of external colonialism, those between the metropolis and its periphery were broken. The colonial elites became, with few exceptions, the national elites of the independent republics (Bonilla 1980; Bonilla and Spalding 1972).

Yet, these historians argue, the relations of internal colonialism remained virtually the same. The national elites continue to dominate the Indian and to expropriate his surplus production. There was no independence for the indigenous population.

Colonial relations include a wide range of discriminatory practices designed to impose subordination and to justify the expropriation of Indian labor and resources. The invaders established the colonial relation by initially imposing the structural opposition between conqueror and conquered. As "conquerors" the invading Europeans justified the expropriation of territories, resources, and labor from the "conquered". This dialectical relation has been used many times since then to justify military campaigns against indigenous peoples who prevented the expansion of the economic interests of the dominant groups. Today, the expansion of the dominant national society into the Amazon, billed as the Conquest of that region whether in Brazil, Peru, or Venezuela, is simply the latest manifestation of the conqueror/conquered variant of colonial relations.

Racism and cultural discrimination are present throughout the Americas. Though the much flaunted "scientific" basis for these practices dates to the end of the last century, the structural basis has its roots in the colonial confrontation. In this case the colonial relation non-Indian/Indian was transformed to that of superior/inferior. In this way, the invader felt justified in imposing his culture, religion, and mode of production onto the "inferior" Indian.

Paternalism is also deeply rooted in the colonial situation. The logic of this structural transformation asserts that the relation of non-Indian/Indian is like that of powerful/powerless and by extension like that of parent/child. Thus, by equating the Indian with a child, a "neophyte" in the ways of "advanced" civilization, the dominant group classifies the Indian for legal purposes as a minor. In this way, the dominant group "legally" denies the dominated constitutional rights, control over political affairs, control over the use of resources, and ultimately control over their destiny.

These aspects of the colonial relation between Indian and non-Indian permit all segments of non-Indian society, whether or not they are members of the capitalist class, to dominate the Indian politically and exploit him economically. These relations exist wherever non-Indian society interacts with Indian society: between the mestizo foreman and his Indian road crew, the rural mestizo merchant and his Indian clients, the urban-based mine owner and his Indian workers, or the Minister of State and his Indian subjects. Capitalist relations of production alone cannot explain the complexity of the Indian/non-Indian relation; colonial relations of domination are equally important.

Most members of non-Indian society are enculturated in the ideology of colonial dominance and accept it as natural. But clearly the most effective means of consolidating that domination has been to convince the Indian to accept the ideology of subordination. This is achieved through the Catholic and Protestant Church, through public education, and through the mass media. The more Indians are convinced that this ideology represents the truth - that they are in fact backwards, cultureless, conquered, inferior, and child-like - the more readily they submit to non-Indian domination. It is a process of cultural and spiritual subversion.

This interpretation of the Indian situation as a colonial one has two important roots.

One is the emergence of Indian intellectuals and spokesmen who are offering their own interpretations. While these may differ in emphasis depending on the historical experiences of the particular indigenous group involved, they are clearly unified in their program for the future: decolonization of indigenous lands, of indigenous communities, and of indigenous cultures. They call for an end to the situation of domination and a restoration of power to Indian peoples over the course of their own history. The blueprints for the future in which Indian societies and cultures and non-Indian societies and cultures can cohabit the same territory without relations of domination and exploitation are only just being imagined.

The second root is the emersion of non-Indian intellectuals from the dominant societies into the depths of Indian America. Over the past two decades, great strides have been made to demonstrate and understand the richness and complexity of indigenous cultures, histories, sciences, and strategies for adapting to the local ecologies and to local conditions of domination. The dialogue between these intellectuals and the indigenous civilizations has in some cases been profound and fruitful for both parties; in these cases, it obliged the intellectual to reconsider and de-mystify many interpretations, rooted in the dialectics of dominance, which he inherited from his academic discipline and from his culture.

Conclusion

The domination of non-Indian over Indian is the central unchanging theme of Indian/non-Indian relations in the Americas. Since the initial European invasion of the Americas, the alien domination over the indigenous peoples has not changed. Nowhere have indigenous peoples broken free of that domination to reestablish their own independent state and civilization.

Underlying the situation of domination are two dialectical relations which were imposed on the American civilizations by the invading forces. These are the relation

between non-Indian and Indian, and that between Center and Periphery. These two dialectical structures closely reinforce one another to maintain the situation of domination.

The particular forms of the Center/Periphery dialectic found in colonial America resulted from the expansion of the European economic frontier and the imposition of a colonial regime aimed at enhancing capital accumulation at the center of the empire. As this process advanced, the centers consolidated their political and social control over the periphery.

The non-Indian/Indian dialectic is none other than a particular instance of the universal dialectic between known self and unknown other. In this case it is a product of the confrontation of the European civilization with the civilizations of the Americas. Spurred on by an increasingly greater imperative for capital accumulation at the European center, this confrontation quickly degenerated into outright negation of Indian civilization.

Both of these dialectical relations are hierarchical and imply an inequality of power. In abbreviated form, they are:

Non-Indian/Indian
Center/Periphery
Powerful/Weak

As dialectics between powerful and weak, they are in fact dialectics of domination.

Five hundred years have intervened since the initial European invasion of the Americas. Both of the underlying dialectics of domination have been subject to the changing material and ideological conditions in Europe and in the Americas during that time. We must sift through them to discover what has remained constant and what new strata have been deposited to form today's complex pattern of Indian/non-Indian relations.

The relations between the center and the periphery have been affected by the changing power relations between the European centers of empire, the rise of Liberal political and economic ideas in the early nineteenth century, the industrialization of the empire centers which lead to greater need for raw materials, and lately the centralization of capital in the form of transnational banks and corporations. While there have been periods when the center's control of the periphery was weakened, the overwhelming trend has been to consolidate the accumulation of capital at the center and thereby strengthen its domination of the periphery.

At the same time, both the European and the indigenous civilizations have undergone dramatic cultural changes. The early impact of Indian civilization on European theological and philosophical debates, the clerical resistance to the European domination and abuse of the Indian, the Rousseauian romantic revolution in the eighteenth century, the rise of "evolutionary" science in the nineteenth century and of anthropology in the twentieth century were among the many European intellectual and ideological currents which influenced the Indian/non-Indian relation. As the European centers accumulated their power to dominate the periphery, and their culture and ideology made deeper in-roads into that of the dominated, the dialectic was tilted in favor of the dominant.

Throughout this process of accommodation to changing conditions of domination, the non-Indian/Indian dialectic has remained intact. As conditions changed, the dominant non-Indians reinterpreted their relation to the dominated societies according to the imperatives of the changing economic order or to the changing ideological underpinnings of that order. The Indian societies reaccommodated themselves to the changing conditions by adapting new strategies for resistance.

In this way, each of the two basic dialectics of domination spawned new transformations. The Center/Periphery dialectic gave rise to such transformations as urban/rural, industrial metropolis/raw material producing hinterland, capitalist class/proletariat, and wealth/poverty. The non-Indian/Indian dialectic engendered such transformations as conqueror/conquered, superior/inferior and adult/minor. In the first case, each transformation reflected a new material expression of domination. In the latter case, each transformation provided the justification for that domination.

The current Indian situation then, is the result of two different and yet closely reinforcing processes: the colonial domination of one civilization over another, and the expansion of the European capitalist economy into a world capitalist economy. No interpretation of the current Indian situation is complete unless it addresses both of these processes. No program for resolving that situation can have success unless it deals with both aspects of the problem.

When the Pichis Palcazu Special Project was announced by the Peruvian government, it was inevitable that the relations between the state, as the promoter of the project, and the Indian peoples of the region would become a central issue. As the project unfolded, the underlying dialectics of domination came into play with all their subtleties to reinforce the domination of the urban centers over the rural areas, and of the non-Indian elites over the Indians. In the course of the campaign against the government's project, it became evident that segments of the pro-Indian groups and of the Indian leadership itself were subject to the more subtle aspects of these dialectics of domination.

As one reads through the following documents, one should bear in mind that the tension inherent in this situation of domination is often just under the surface. Are Indians really equal to non-Indians? Are rural peoples really as capable and as bright as urban dwellers? Or isn't it true perhaps that those sectors of society who work hard to develop their intellectual and material resources have a natural right to dominate the more "backwards" sectors? These kinds of questions permeate this and all state development projects in Indian areas.

CHAPTER III

THE MYTH OF THE VAST EMPTINESS: NATIVE COMMUNITIES AND COLONIZATION IN THE PALCAZU VALLEY*

Six months ago the Peruvian government announced its plans to implement a large colonization project in the area of the Pichis and Palcazu Rivers, and in this way, alleviate the overcrowded conditions of Lima, create thousands of new jobs, and convert this "vast empty and unproductive" region into the new breadbasket for the capital city. Two nights ago, we heard the Director of the Pichis-Palcazu Special Project, Ing. Edmundo Del Aguila, give the first public exposition of the objectives and some of the concrete plans for this multi-million dollar project. Significantly enough, Ing. Del Aguila made the first public statement by a high level government official, fully six months after announcing the project, that indeed there are people already living in the project area, in fact a significant number of people. He also admitted for the first time that there is a large number of legally recognized Native Communities in the project area. He said that, of course, something will be done for those people. With that, the present inhabitants of the Pichis-Palcazu area dropped out of his talk, and he reverted to the cliché of the Vast Emptiness. Tonight I want to focus some attention on the native inhabitants of that Vast Emptiness.

*The following was presented by Richard Chase Smith, member of COPAL, Solidaridad con los Grupos Nativos, on February 6, 1981, at a public forum entitled AMAZONIA: DEVELOPMENT AND ALTERNATIVES. The forum was organized by the Instituto Peruano de Estudios Amazonicos and was held at the Biblioteca Nacional in Lima. Smith's presentation was the first public criticism of the government's Pichis-Palcazu Project and initiated a series of events organized under the aegis of the Comisión Pro-Defensa de Tierras Netivas, which attempted to focus the government's attention to the problems of Native Communities in the areas where it was promoting colonization projects.

The Conquest and Displacement of the Amuesha Nation

The Amuesha are a culturally and linguistically distinct people who have inhabited the inter-montane valleys of the central montaña since pre-colombian times. Since their initial contact with Spanish Franciscans (1630) and until the late nineteenth century, the Amuesha occupied the valley bottom lands along the Chanchamayo, Paucartambo, Chorobamba, Huancabamba, Pozuzo, and upper Palcazu Rivers, as well as the elevated plateau area known as Salt Mountain (Cerro de la Sal) near modern day Villa Rica. By 1740, the Spanish had settled large areas of this territory, especially in Chanchamayo and Huancabamba, forcing the Amuesha to seek refuge in one of the eight mission posts established by the Franciscan missionaries. The regimented life-style and authoritarian rule imposed by the Franciscans and enforced by their Black slaves, plus the forced work in the mission sugar cane fields, led to constant discontent and rebellion by the native residents. A 1742 rebellion which coalesced around the messianic figure of Juan Santos Atahualpa, a descendent of the last Inca ruler, was successful in uniting members of a half dozen ethnic groups to expell the Spanish presence from the entire central jungle.

Successive governments of the Peruvian Republic (after 1824) tried to assert control over the central jungle, especially the areas of the Amuesha homeland. By the 1880s military expeditions sent by the Lima government successfully broke the Amueshas' resistance. This was done with the aid of Franciscan missionaries who returned at this time to establish three new mission posts in Amuesha territory: San Luis de Shuaro and Sogormo in the Paucartambo Valley, and Quillazu in the Chorobamba Valley (Smith 1974). European, Chinese, and Peruvian mestizo colonists moved into these river valleys to establish coffee, coca, fruit, and sugar cane plantations. By the 1930s, all the valley bottom agricultural lands had been alienated from the original Amuesha inhabitants and were under control of the new settlers. This, together with the ravaging effects of disease, produced profound demographic and social changes within the Amuesha society and economy. The dwindling population fled to the higher elevations between the river valleys and to the east, over the Yanachaga mountain range into the Palcazu Basin. The dispersed groups which remained behind constituted small islands in a sea of colonists, who were quickly incorporated into the market economy as low-paid workers on the surrounding plantations.

Settlement Patterns of the Palcazu Basin

The Palcazu Basin itself was never settled by the Spanish. It remained virtually unexplored by outsiders until the late nineteenth century, when rubber gatherers coming up-river from Iquitos in search of new sources of the raw material, moved into the area. By the turn of the century, several rubber companies operated in the area with rubber and land concessions granted by the Peruvian government: Sociedad Explotadora de Gomales del Pozuzo Ltda. had 1,000 hectares in Mairo, which

was later expanded to 25,000 hectares under the control of the Cuculiza family of Huánuco; Casa Kitts controlled 13,000 hectares in the area of the Lagarto River; Sociedad Maguera y Pisculich received a concession of 111,000 hectares in the area of the Chuchurras and Iscozacín Rivers.

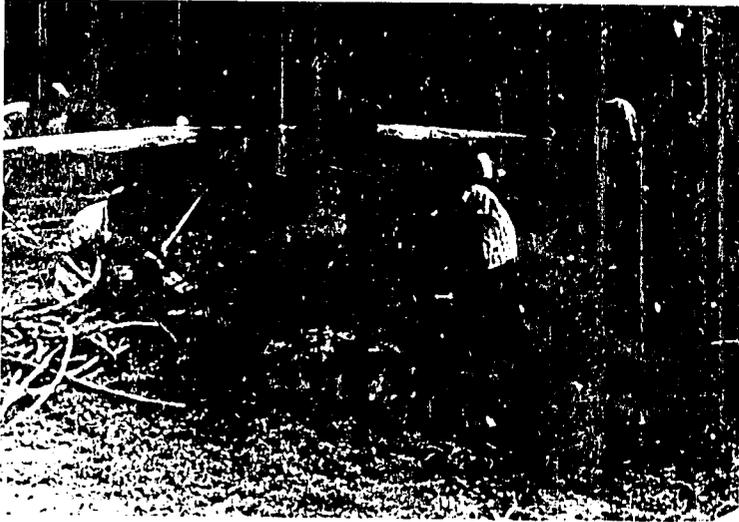
In addition, several families of European descent moved into the Palcazu Basin at this time to collect and sell rubber as well as to establish haciendas. More so than the rubber companies, these families depended on the native labor for their rubber collection and agricultural activities. One turn-of-the-century observer tells us that a German settler "exerts great dominion over the savages who serve him with pleasure. Right now, he counts on a hundred of them for these activities, but year after year their numbers decrease because of diseases from the outside. Smallpox and measles notably reduce the number of workers available for rubber extraction" (Tamayo 1904:122).

The descendants of this and other European settlers still live in the Palcazu basin and continue to exert a similar control over the Amuesha labor force.

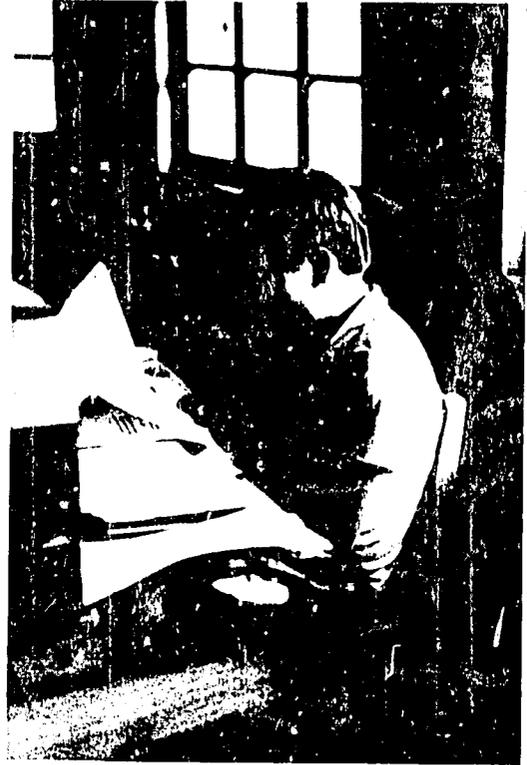
At the end of the rubber boom, the larger companies abandoned their work in the Palcazu, as they did throughout the Amazon region. However, the persons who controlled these companies and their descendants maintained their claims to the lands of the rubber concessions and actively prevented spontaneous settlement of these lands throughout this century. For this reason, for example, the area of Mairo and the Codo of Pozuzo remained practically unsettled until 1970, when the concession held by the Cuculiza family was annulled by the government. The large Amuesha population which lived within the Maguera and Pisculich concession were continually harassed by the Pisculich family in an effort to force them off the concession lands.

The European families, however, remained in the area, and intermarried among themselves and with the other German settlers of Pozuzo and Oxapampa. These families established small feudal estates based on their control of the Amuesha labor force and became known as the patrons of the valley. The Amuesha, concentrated around the middle Palcazu and the Chuchurras and Iscozacín tributaries, lived in the vicinity of one of the immigrant patrons on whose lands they were granted protection from the rubber barons' slave raiders and allowed to plant subsistence gardens in exchange for their labor.

The French Consul in Callao, visiting the Palcazu in the late nineteenth century reports the following: "The rubber-merchant Don Guillermo (Frantzen) established himself six years ago at the confluence of the Chuchurras and Palcazu Rivers, where there were but three or four Indian houses before his arrival. Today, there are more than sixty, dispersed, it is true, in a large circle (around Don Guillermo's farm), and all in communication with the common center. Don Guillermo, by his presence alone, protected these Indians from the aggressive raids of the Pirates of the Montaña" (Ordinaire 1887:284). By the middle of this century, the half dozen or so dominant patrons maintained a virtual monopoly on all aspects of life in the Palcazu valley.



Amuesha Pressing Sugar Cane



Cultural Center Staff Member Preparing Amuesha Text



Woman Weaving on Traditional Backstrap Loom



Woman Preparing Fish Poison

During the 1950s a subsidiary of the Cerro de Pasco Corporation conducted oil explorations in the central Palcazu. The promise of access roads into the valley and future petroleum development produced a new wave of speculative land claims. By 1958, all the accessible lands in the Palcazu Basin had been claimed either by outsiders or by the few immigrant patrons who lived there. The vast majority of the population, the Amuesha, lived within these lands claimed by others. Only one Amuesha group, an Adventist group which fled from white settlers in the Perene valley to Loma Linda on the upper Palcazu, had filed a land claim.* However, when the Cerro de Pasco Corp. withdrew from the area in the 1960s after drilling several unsuccessful wells, the land boom died and with only a few exceptions, the land claims were abandoned.

A Decade of Change in the Palcazu

A. Land Tenure and Agrarian Reform

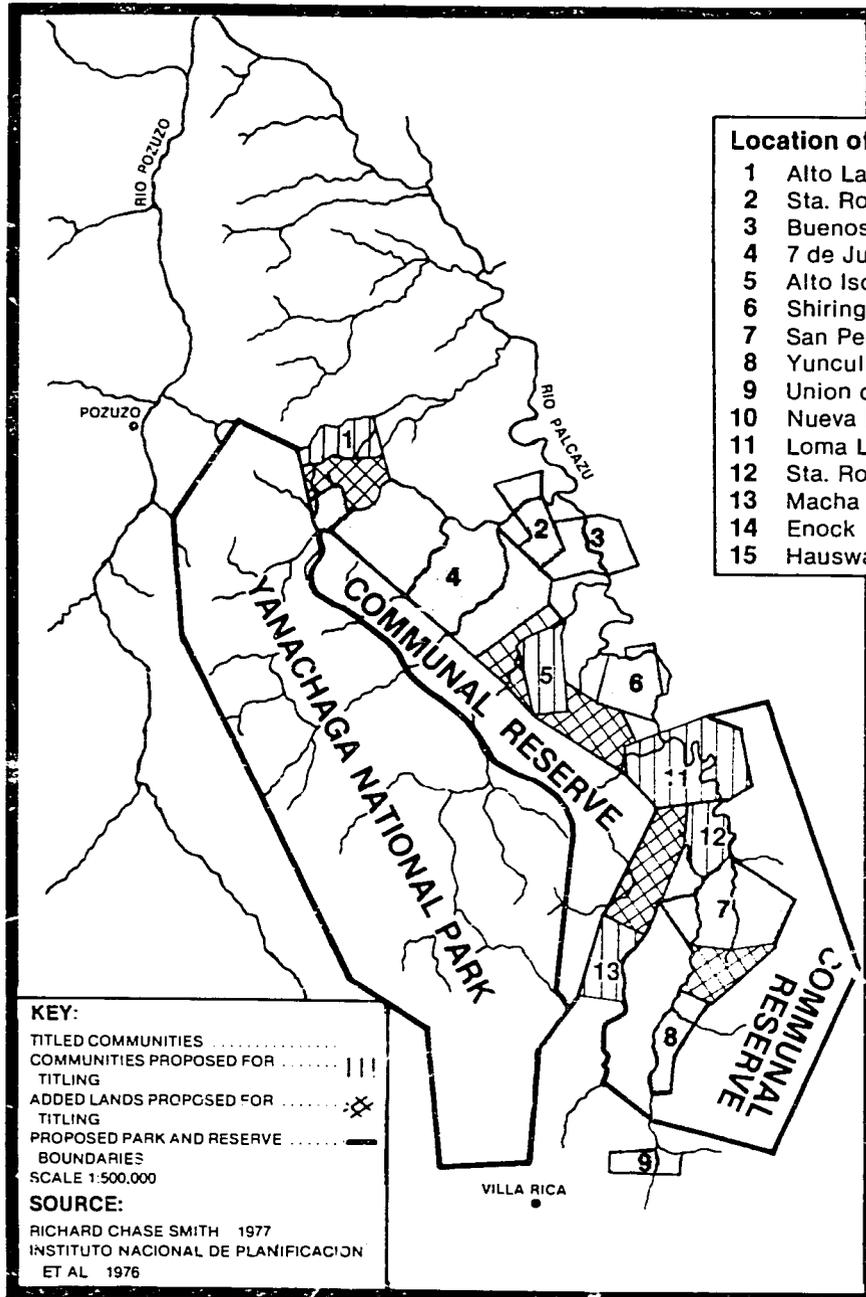
Three things happened to drastically change the situation of the Palcazu valley after 1968. First, the recently installed military government, followed through with the plans drawn up by officials of the Agrarian Reform Program under the previous regime, to revoke the large land and rubber concessions in the Palcazu Basin. Second, new settlers, mostly people from the already saturated areas of Chanchamayo, Oxapampa, and Pozuzo, moved quickly to occupy and establish new claim to the former concession areas. And third, encouraged by social workers from the Agrarian Reform Program, the Amuesha of the Palcazu valley laid claim to lands which they occupied, despite the lack of any specific legislation which backed their claims.

As early as 1966, several Amuesha communities, encouraged by a protestant missionary group, petitioned the Belaunde government for tracts of land (about 1000 hectares each) for those families which had gathered around the newly established bilingual schools. (Villa America, Villa Esperanza, Pampa Hermosa, Shiringamazu, Azulis, Puerto Amistad.) The director of the protestant mission told me in 1967 that they were encouraging the teachers to do so in order to attract more Amuesha to the schools, and thus facilitate the work of religious conversion. In spite of these efforts, the Belaunde government gave recognition to only one of these claims, that of Puerto Amistad.

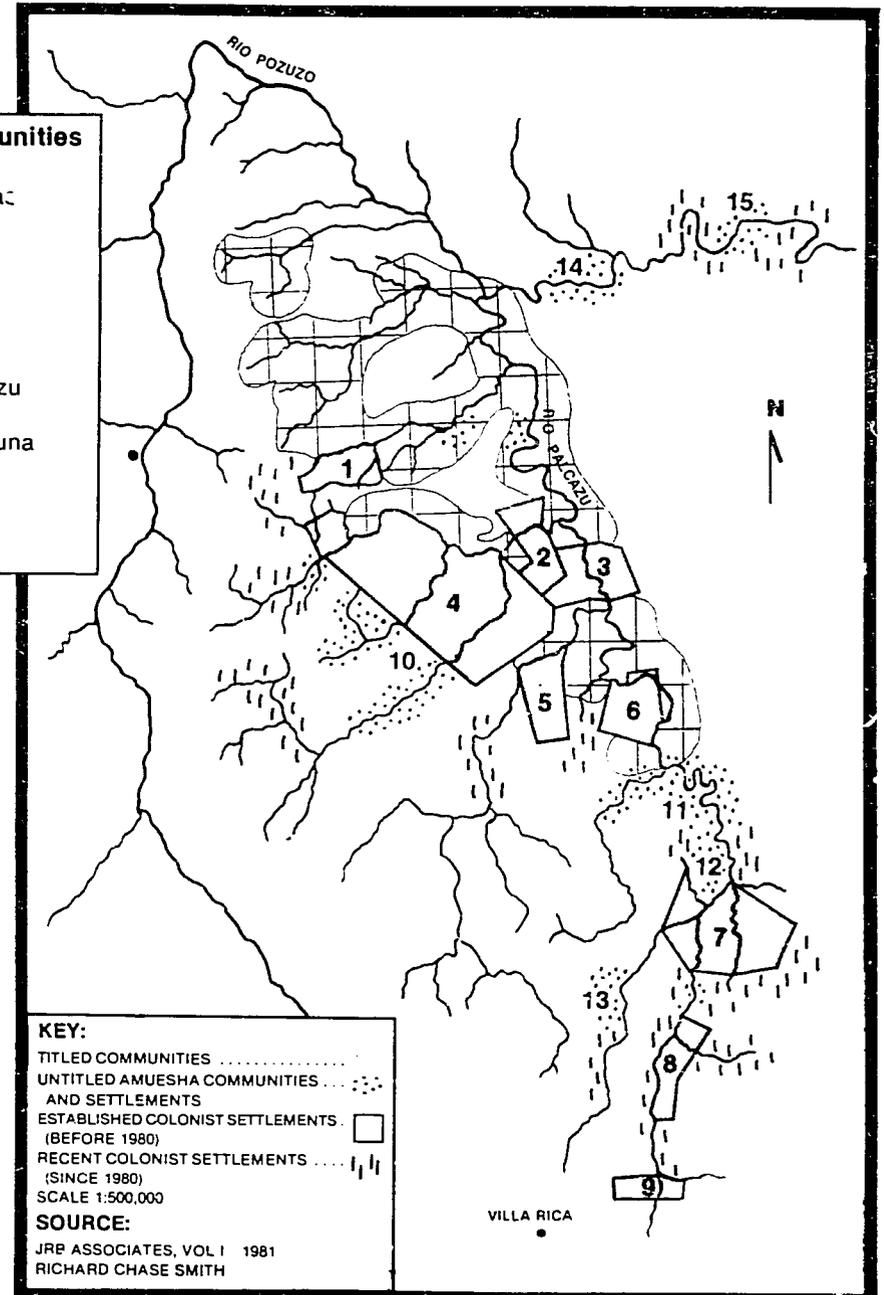
Encouraged by community development workers of the Agrarian Reform Program between 1967 and 1972, the Amuesha pressed the government to recognize their land claims with a community title for each settlement rather than an individual title for each nuclear family. This legal form more closely reflected their own relation to the land which

*This claim was filed in 1944 for 2000 hectares. A Ministry of Agriculture map dated 1958, shows the entire area parcelled and named.

2 PROPOSED LAND TITLING AND USE— 1976



3 ACTUAL LAND OCCUPATION AND TITLE STATUS—1981



was that of equal usufruct for all members of their society. Furthermore, they argued, that with a community land title, the notion of private ownership of land would not constitute a divisive element within their local settlements. During those years, 25 Amuesha settlements petitioned the government for legal guarantees to their lands and for official recognition as communities (13 in the Oxapampa-Villa Rica area, and 12 in the Palcazu Basin). Eleven of these were granted recognition as Communal Reserves for a total of 21,644 hectares (4 in the Oxapampa-Villa Rica area with 430 hectares, and 7 in the Palcazu area with 21,214 hectares). In 1969, 24 Amuesha communities joined together to form the Congress of Amuesha Communities, which continues to press for land and other rights for the native communities.

Between 1972 and the present, and especially after the appearance of the Law of Native Communities in 1974 (Law No. 20653, modified in 1978 to Law No. 21175) the Amuesha communities together with other native groups from the Peruvian jungle, continued to demand recognition of their land rights. For a four year period between 1972 and 1976, government workers were active in the Palcazu Basin identifying communities, gathering information, and accelerating the legal process of community recognition and land titling. All Amuesha communities which currently have legal recognition and title received them before 1978; after that year, due principally to political changes in the Lima government, no other Amuesha community received either recognition or land title. By 1978 then, eight communities were recognized in the Oxapampa-Villa Rica area with a total population of approximately 250 families and a total land area of about 2500 hectares, roughly 14 hectares per family. In the Palcazu area, 13 Amuesha communities were recognized with a population of 500 families and a total area of 42,000 hectares, or roughly 94 hectares per family.

B. Subsistence and the Market Economy

The traditional Amuesha economy is a sophisticated and complex adaptation to the tropical forest environment characterized by a series of complementary activities: slash-and-burn horticulture, hunting, fishing, and gathering. These activities, which most Amuesha still pursue, supplied each family with virtually all of their basic needs for food, clothing, and housing. Each family prepares its own garden according to its needs. Household members plant up to three separate gardens each year: 1. the smallest, often less than $\frac{1}{4}$ hectare is planted with beans; 2. on the more fertile lands, maize, bananas, peanuts, taro, sugar cane, squash, and a wide variety of other native food crops are planted; and 3. in the less fertile lands one or two hectares of manioc and/or rice are cultivated. The Amuesha have developed their own varieties of these cultivated plants, many of which are now disappearing.

Economic relations within communities are changing in the face of increasing market dependency and the use of money as a medium of exchange. Traditionally when there is a surplus of garden production or extra meat from a bountiful hunt, it is redistributed to local kinsmen on the basis of reciprocity, thus creating obligations on the part

of kinsmen who received the surplus to eventually do the same in return. Highly valued products as salt, dried fish, coca, chamairo, and munition were traded through a network of trading partners which linked together different river systems. This trade was also based on the creation of fictitious kin relations and reciprocal obligations. Through these relations of reciprocity, kin and community solidarity are reinforced.

As the productive forces of the Amuesha are reoriented toward the market economy, and individuals assimilate the market system ideology, they learn to accumulate their excess production for themselves. Some Amuesha have learned to reinvest the capital they have accumulated to increase their own production, while others spend it in a conspicuous way. As a result, a process of economic and social differentiation, based on the accumulative power of each individual, has begun within each settlement.

From the point of view of economic relations, the Amuesha living in the project area can be divided into two groups: those of the upper Palcazu and those of the middle and lower Palcazu. Those living in the upper Palcazu communities (Pto. Laguna, Loma Linda, Sta. Rosa Pichanas, San Pedro Pichanas, Machca Bocas, Yuncullmas) have been able to maintain a more traditional way of life with noticeably less dependence on the market economy. This has been possible for two reasons: 1. these lands are relatively undesirable for colonist settlement because of their low fertility, the ruggedness of the terrain, and the high rainfall; and 2. these settlements have until very recently been isolated from the market centers because of the lack of roads. The continuation of the Villa Rica-Puerto Bermudez road and the implementation of the Palcazu spur road is changing rapidly this situation.

Most of the male Amuesha population from this area leave their community for a few months every year to pick coffee on the plantations around Villa Rica. With their cash earnings, they buy clothes, school supplies, ammunition, and pots in Villa Rica. They then return to their families in time to clear and prepare a new garden and continue their traditional subsistence pattern until the following year. In this way, they have managed to satisfy their minimum needs for manufactured goods while maintaining a certain degree of economic and cultural independence.

The Amuesha of the middle and lower Palcazu have been in contact with the market economy since the late 19th century. However, this contact was always mediated by one of the "patrons" of the area who manipulated his knowledge of the market system and his access to manufactured goods to keep the Amuesha in continual debt, and thus dependent on him. In this way, the patron was guaranteed a constant supply of cheap labor.

The French Consul made the following observations in 1879:

"Don Guillermo made his fortune with the produce of the labor, for as unreliable as it is, which he well knew how to get out of them by the force of tact and patience. The way he gets them to cooperate is to create in them needs, and then to offer them the possibility of satisfying those needs as a reward for their service. The best way, he told me, is to wait for them to come themselves to offer their services, which is what they do when they need something. For example, medicines, which Don Guillermo taught them about, cloth for new cushmas powder for their guns. Don Guillermo made a gift to them of six guns, but he made them pay for the ammunition (by working). They actually collected over 1000 kilograms of rubber for him in one year which was worth more than 16,000 francs in Iquitos. besides that the savages always bring him lots of meat (hunted with the guns) and show him great affection. The colonists of this school are the true conquerers of the Montaña."
(Ordinaire 1892:139).

This system of debt-peonage, while greatly refined and adapted to new market conditions since Don Guillermo introduced it to the Palcazu region, is still basically dependent on the fact that little or no money circulates in the region: the patron controls the cash. Furthermore, the patron controls most market contacts and consequently the flow of marketable goods in and out of the region. For this reason, manufactured items are available only from the patron and only in exchange for work or marketable produce. Many Amuesha are still illiterate and have little notion of the value of either their labor or their marketable produce. The patron sets exchange rates, prices, and salaries as well as keeps the accounts. Once the Amuesha has accepted manufactured goods from the patron and fallen into his debt, the patron can then manipulate the wages, the flow of manufactured goods, and the accounts to keep the Amuesha in continual debt. Besides guaranteeing the patron a constant supply of cheap labor, this system insures him large profits from his commercial activities.

In the late 1960s when I first visited the area, 90% of the adult male Amuesha population was in debt to one patron or another and spent most of their productive time and energy working off their debts by clearing cattle pastures. One example of this system is the case of the patron of Swiss-German origin who lives on the Chuchurras River. At this moment hundreds of Amuesha from the four communities which surround the patrons' ranch are in debt to him. This patron, like all the others in the Palcazu, is a stockholder of SASA airlines, the only commercial airlines to service this valley; his son is a pilot for the airlines. In his house he has the SASA transmitter-receiver through which he can call for an airplane at a moment's notice. And while the landing strip

is located within the boundaries of a nearby Amuesha community, this patron controls its use through the slaughterhouse and warehouse he maintains there. Through this monopoly with SASA airlines, the patron controls virtually all commercial activities in the Chuchurras Region.

The store on this patron's ranch is the only source of manufactured goods in the area. Prices range from two to five times the retail price in San Ramon, the principal port of entry for SASA airlines. He freely offers items from his store on credit to "his" Amuesha. In exchange, he accepts cattle for about one half of the going price on the meat, and occasionally will take agricultural produce for a quarter to a third of the going price. He pays those who chose to work off their debt less than half the minimum daily wage of the region. However, he pays slightly higher wages and prices to "his" Amuesha, those who have loyally maintained a debt with him. Through his commercial monopoly and the cheap labor at his disposal, this patron has amassed a considerable fortune which he has invested in his cattle operation. He presently owns over 2000 head of cattle.

C. The Rise of Native Communities and Economic Independence

We can see then that, until recently, very little of commercial value was produced on Amuesha-occupied lands for two reasons: 1. the land tenure insecurity which the Amuesha suffered; and 2. the exploitative system of debt peonage which channeled Amuesha labor to the patron's ranch. However, as the land base became more secure in the late 1960s and early 1970s, and as the Amuesha received more encouragement from the government and from private sources, they began to plant commercial crops and to open cattle pastures on their own lands. During these years, many Amuesha went further into debt with the patrons in order to acquire one or two cows with which to initiate their own herds. No state or bank loans were available to them.

Many patrons took advantage of this situation by loaning cows to their indebted Amuesha in a kind of share-cropping arrangement called "al partir". In this system, the Amuesha raise the patron's cows in their own pastures, run the risks and pay the costs. When the patron decides, he retrieves the original cows (or equivalent) and half of the offspring. In 1976, the patron of the Chuchurras area had more than 800 head of cattle "al partir" distributed to individual Amuesha in four communities. While this system works primarily to benefit the patron, it has allowed, albeit at a high cost, many Amuesha to initiate their own small herds and to begin to build an independent economic base. In 1976, there were over 2700 head of cattle scattered throughout the Amuesha communities, including about 1800 of their own and over 900 "al partir". Today the Amuesha cattle population is estimated at over 3000.

Community Cattle Enterprises - Palcazu River

<u>Community Name</u>	<u>Hectares of Pasture</u>	<u>Heads of Cattle</u>	
		<u>Swiss donated</u>	<u>Commun. donated</u>
Loma Linda	50	13	6
Puerto Laguna	55	16	32
Shiringamazu	50	17	5
Villa America (7 de Junio)	40	14	10
Centro Esperanza (7 de Junio)	16	0	6
Alto Iscozacin	30	0	26

Source: Agroyanesha

In view of the growing hostility of the patrons and local government officials, the Amuesha Congress created the Agroyanesha Committee in 1977 to promote agricultural and cattle production in the communities. This project currently employs three Amuesha full time and one foreign volunteer agronomist. Agroyanesha has organized training courses for young Amuesha to serve as community extension agents. These agents have been working to improve such commercial crops as rice, cacao, and achiote. Several communities have initiated community-owned cattle enterprises. Agroyanesha is coordinating with a Swiss-funded project to make better quality cattle, medicines, and fencing material available to these community enterprises. Recently Agroyanesha has been experimenting with a community system for marketing meat and other produce in both San Ramon and in Pucallpa to the north.

D. The Patrons Strike Back

In response to the formation of land-secure state-recognized communities and to the strengthening of an independent economic base within the communities, the patrons adopted two basic strategies to reassert their domination over the Amuesha: 1. they tightened their traditional monopolies or adopted new ones; and 2. they tried to undermine the communities through outright subversion.

As part of the first strategy, the patrons have, over the past several years, strengthened their monopoly hold on SASA airlines through which they can and do make difficulties for Amuesha who want to travel independently, sell products to outside markets, or receive shipments of manufactured goods. On the other hand, some patrons have taken advantage of the community cattle production by monopolizing the marketing of meat. They use the debt-obligation they have created with the Amuesha to force them to sell their meat solely through them. They then use their preferential access to SASA to obligate them to sell their cattle at very low prices.

Because of the difficulties of transporting cattle in the area, the Amuesha of the Chuchurras area usually take their cattle to the local patron. If the Amuesha is one of "his" debtors, the patron offers a slightly higher price. But the price depends on the "category" of the animal and its weight. According to Amuesha who have worked with this patron, no Amuesha animal has ever been considered first class and only rarely second class--although their parentage is equal to the patron's own stock. As there is no scale, the patron calculates the animal's weight by sight, a procedure which has led to proven "errors" of up to 40 kilos in the patron's favor. Finally, the patron, like SASA, pays only for the butchered meat, while the head, feet, entrails, and hide are considered the buyer's profit margin. These practices have allowed some patrons to reap huge profits from the Amueshas' increased production of cattle.

The patrons' campaign to subvert the Amuesha communities has taken at least three different forms. In the first place, the patrons use their commercial monopoly to punish those Amuesha most actively trying to gain independence. In some cases, the patrons have cut credit to selected individuals, forcing them to pay for their purchases in cash. In the case of one leader from the 7 de Junio community, the patron simply refused to sell him anything, forcing him to travel a day by foot to purchase his basic necessities. In other cases the patrons have insisted on immediate repayment of back debts, using threats of police action for non-compliance. In these cases, the Amuesha is forced to turn over any commercial crop or cattle he may have at whatever price is offered to settle his outstanding debt.

A second form of subversion used is rumor. When the Amuesha of the Alto Iscozacín area were debating whether or not to petition for community status, the local patrons initiated rumors that communities were "communist", that all private property would be eliminated with the community, that "community Indians" were forced to turn over half their annual production to the government, and many other more lurid ones. Because rumor in a closed society such as this one is such a powerful force, several influential Amuesha in that area turned against the community movement and have since become well-rewarded allies of the patrons. However, Alto Iscozacín was recognized as a Native Community in 1977 and received title to its land in 1978. The Palcazu valley is constantly humming with patron-initiated rumors about the horrors of Native Communities.

A third form of subversion used by the patrons is to influence local government officials and establish alliances with them in the battle against the communities. Even when a new local official is well-disposed towards the communities, the void of his ignorance about Indian life and community structure is filled by the patrons' stereotypes and rumors. Furthermore, these officials find that they are even more dependent on the patrons for all basic services, food, and shelter than are the Amuesha, and are understandably reluctant to jeopardize their own personal security. As a result, the Amuesha confront a wall of inertia and hostility when soliciting a service from a local government office, even though the law clearly gives native communities priority for such services.

Conclusion

We see then that at the present time relations between the native Amuesha and the traditional colonist populations of the Palcazu valley are very tense. The Amuesha are attempting to gain economic independence from the old patron dominated debt-peonage system. The land base, legally titled under Law No. 21175 and guaranteed by article #163 of the Constitution, is undeniably the sine qua non of that independence; the legal form called the Native Community, sanctioned by Law No. 21175 and the Constitution, has been one of the major tools used by the Amuesha to regain their independence. At the same time the local patrons, are trying to preserve the old order and their dominant position in it.

In the midst of this delicate and potentially explosive situation, the current government is promoting a "great axis of colonization" with large inputs of borrowed capital for building roads, airports, slaughterhouses, experimental stations, lumber mills, and even cities. Critical evaluations of similar large scale development projects around the world repeatedly point out that, despite the rhetoric, it is those people who have the capital and the capacity to use it shrewdly who can benefit from the expensive infrastructure of these projects. In the Palcazu that points to the patrons and their allies from Lima, not to the Amuesha or the poor colonists.

At the same time, any further colonization of this area, given the fact that the man/productive land ratio is already at carrying capacity, represents a threat to the Amuesha land base: hunting and fishing will be curtailed, invasions and boundary disputes will become common, possibilities for improving the Amuesha land base will disappear. Any threat to the Amuesha land base is a threat to their existence. If the government proceeds with this project as it has been announced publically, I can only see that it will strengthen the hand of the patrons in their effort to eliminate the Amuesha native communities.

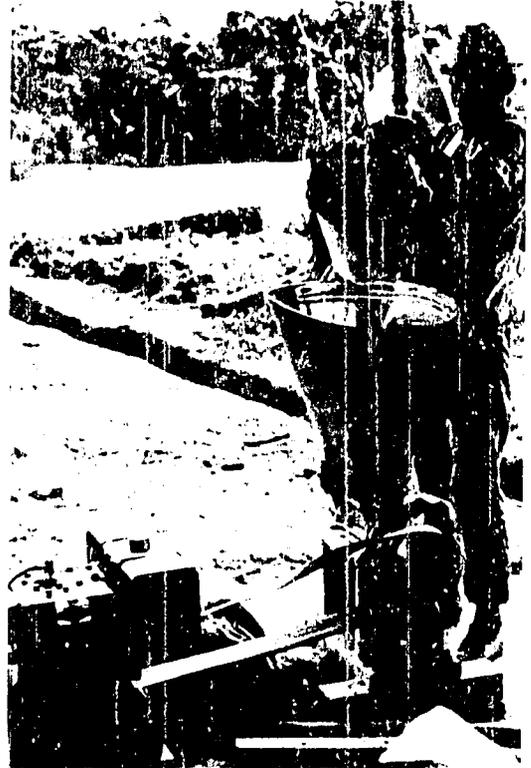
One might ask why, in all of its public statements about the Pichis-Palcazu Special Project, the government has not mentioned the existing population of the area? Why has nothing been said about improving the economic conditions of the thousands of Amuesha, Campa, and poor colonists already living in the area who are struggling to break free of an exploitative and crushing economic structure? Why has the government made no attempt to dialogue with the Native Communities of the area, when, as we know, high level government and party officials are in continual contact with the patrons? Instead of answering these questions, we are told that there is a vast emptiness out there in the Palcazu which must be filled with borrowed money and with the poor of Lima.

Such a response, which blatantly ignores both ecological and social reality, is reminiscent of the conquest mentality of the European colonial powers in Africa, when they declared, as if by divine decree, that the lands inhabited by large tribal populations were simply "vacant" and open to European settlement. The European powers based their claim on the

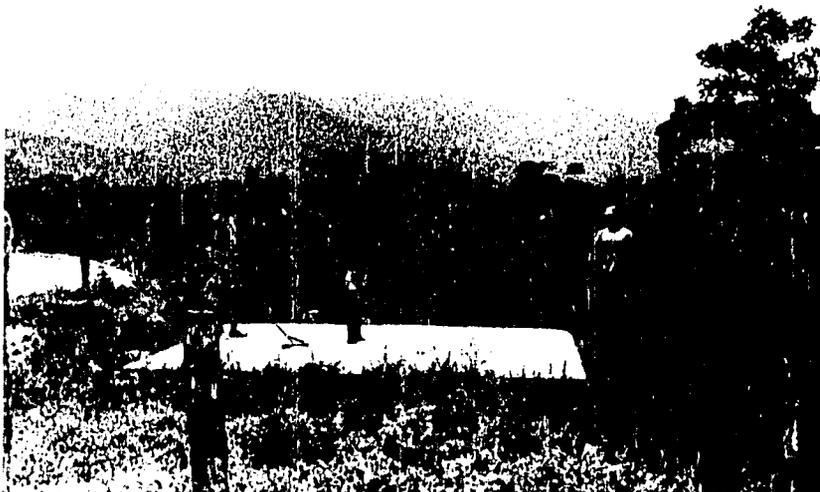
right to take possession through military conquest. They justified herding the tribal populations into small reserves on the worst lands on the grounds that to allow tribal peoples large territories would simply postpone the inevitable process of bringing European Christian civilization to them and encourage them to continue their barbarous and nomadic ways. Today, we understand that such justifications only mask a blatant ethnocentrism and the economic interests of the colonial power. One wonders on what grounds the current government of Peru justifies its plan to colonize the Amuesha and Campa homelands.



Amuesha Course in Carpentry



Amuesha Hulling Rice
in the Palcazu Region



Community Rice Drying Platform

Photo: Charlotte Miller

CHAPTER IV

LAND, NATURAL RESOURCES, AND ECONOMIC DEVELOPMENT OF THE AMUESHA NATIVE COMMUNITIES IN THE PALCAZU VALLEY

1. Land for Indians: How much is Enough?

The Supreme Decree #3 of March 1957 laid the basis for the Indian land policy in the Peruvian Amazon. This measure recommended that the government establish reserves for the indigenous peoples of the Amazon region based on a formula of 10 hectares of land per person over five years of age (Chirif 1975; Chirif and Mora 1977). It is not known what criteria were used to establish this rule of thumb; certainly, as Chirif points out, technical factors such as soils, land use suitability or climate were not taken into account.

When the Agrarian Reform program began demarcating reserves for lowland Indians in the late 1960's, this rule of thumb was used to establish reserves in areas free from pressure of new settlers. These reserves varied greatly in size depending on the number of inhabitants of the area, and on the attitude of the local Agrarian Reform officials responsible for executing the reserves. In areas already colonized, the local Indian settlements remained with what land they had managed to defend. For example, at El Palomar, a reserve of 65 hectares was established for one Amuesha group of 21 families. The reserve, situated on a mountain top, was surrounded by settler owned coffee plantations, each of which was several times larger than the reserve. Another reserve of 33 hectares was established on a rocky mountain ledge near Quillazu (Oxapampa) for a group of 12 Amuesha families. That reserve was later incorporated into the Community of Tsachopen (765 hectares) which has been the object of a two decade long legal struggle involving the local Catholic church and the state. In November, 1981, the state revoked the community's land title (including the 33 hectare section near Quillazu) in favor of the church. For the Amuesha, as for many other Amazonian Indians in Peru, the struggle for land focuses on tens, hundreds, or in rare cases a few thousand hectares (Smith 1974).

The Law of Native Communities, in both of its versions (1974 and 1978), states that a Native Community should be given enough land to satisfy its needs. Provisions were included for expropriating adjoining properties in favor of communities which could demonstrate a lack of land. Still, no clear criteria were established for determining how much land is enough. Throughout the past decade, government officials have produced many different formulas purporting to answer that question. None-the-less the basic terms of the land question did not change: it was tens, hundreds, or at most thousands of hectares.

From the Indian point of view, the question - how much land is sufficient for an indigenous community - is another artifact of the colonial situation in which the Indian is the colonized. It only makes sense to ask this question in a situation where a "colonial" power usurps the land from its native inhabitants. Then, when obligated to return a portion of it to its rightful owner, the usurper, in this case the state, makes legal and political gestures towards incorporating the native inhabitants into the state structure, and asks, how much land is enough?

But, of course that question begs another: enough for what? What future does the state, and the elites who dominate the state, envision for the incorporated indigenous citizens? Does the state want to return the minimum land area necessary to provide a subsistence base for Indians who will provide labor for non-Indians outside of their community? Is the state interested in providing enough land to allow the community a prosperous future through the autonomous development of their own resource base? Or is the state asking how much land is enough to assure the survival and reproduction of an autonomous cultural system which includes the unrestricted inter-community communication for social, economic, and ritual purposes. Clearly then the underlying question being asked is what are the limits of the colonial situation. How far will the state go in permitting the autonomous development of its indigenous subjects?

It is interesting to note how differently the colonial elites have answered these questions from one national context to another. In the Brazilian Amazon, the western U.S.A., and Canada, the state has ceded millions of hectares of lands to indigenous communities, and where conflict has arisen over this policy, often hundreds of thousands of hectares are in question. In the Peruvian Amazon, the state has begrudgingly ceded thousands of hectares; conflicts over this policy have usually involved tens of hundreds of hectares. The scale is altogether different.

Certainly the size and population density of the particular country's frontier area explains in part this discrepancy. But perhaps as important are such historical factors as the nature of Indian/non-Indian relations, Indian resistance to the seizure and occupation of their lands, the pattern of non-Indian settlement in the frontier areas, and the perceived economic value of the lands and resources in question. While the successful recovery of lost territories and autonomy may ultimately depend on internationalizing this struggle, strategies for securing a land base at any given moment must be geared to the historical and political conditions of Indian incorporation into particular nation states.

It is within this context that the following study must be understood. When the Pichis Palcazu Special Project was initiated, the question of how much land is enough for an Indian community became a central issue. The Belaunde government claimed that land, a valuable national resource, was being wasted within the native communities. By using detailed soil and forest surveys together with land use classification techniques, this study demonstrated what the land situation of the Palcazu native communities is and what the prospects are for a sustained development of commercial agriculture and lumbering. The results are alarming and establish a new basis for discussing the land needs of Peru's native communities.

2. Introduction*

2.1. Population and Current Land Holdings of the Native Communities

The Amuesha are an indigenous group which has inhabited the Central Selva of Peru for several millenia. They maintain a distinct language and culture from both the Andean and Coastal peoples who have moved into the area. Today the 5,000 Amuesha are organized into 29 Native Communities (NNCC) which were legally established in 1974 by the Law of Native Communities and Agricultural Development of the Selva (D.L. 20653, changed in 1978 for D.L. 21175). These 29 NNCC are located in the Departments of Pasco, Junín, and Huánuco. Under D.L. 20653 and D.L. 21175, the Peruvian Government has extended communal land titles to 17 of these NNCC for a total area of approximately 40,000 hectares. Community lands are by law inalienable, whether through sale, rent, mortgage, or any other arrangement. Though in most cases the lands are worked by individual families they are administered and defended collectively by the Community Assembly. The 1978 version of the law distinguishes between lands with agricultural, forestry, and protection capacity, and states in Article 11 that forest lands within a community territory cannot be titled, but only ceded in usufruct to the community. Only two NNCC (Alto Lagarto and Alto Iscozacín) were titled under the 1978 law. Furthermore, in many NNCC a band 50 meters wide along major rivers was reserved for the public domain and discounted from the titled area.

Due to changing policies and priorities within the Military Government, land titling for NNCC came to a virtual halt after early 1978. No Amuesha NC received a title for its lands after that date, although 12 NNCC still have no legal protection for their lands. So far this policy has continued with the present government.

Fourteen of these 29 Amuesha NNCC are located in the Upper Palcazu drainage area. In 1976, the Amuesha population in this area was about 2,500 (Smith, 1976); current estimates place the population at 3,000 (Miller and Martinez, 1981) for an annual population growth of about 4.5%. Some of that growth is due to immigration from land poor communities, in the Villa Rica-Oxapampa area. Nine of the 14 NNCC in the upper Palcazu drainage area have legal title to their lands for a total of 28,226.28 has. (See Diagram 1).

2.2. Current Land Titling Situation

Since receiving their land titles in 1976, all of these NNCC have petitioned the government to increase the size of their land holdings. In 1977, the Amuesha Congress proposed to the Peruvian Government the Amuesha-Yanachaga project. This project would create a Yanachaga National Park, a continuous community territory of about 60,000 has., and several Communal Reserves in between the Park and the community territory (Smith, 1977). The government's response was favorable and the proposal was included in the regional development priorities and plans (PID-Pichis Palcazu, 1977; PAR-Pichis Palcazu, 1978). In February of this year, the Amuesha Congress presented a petition to the Minister of Agriculture and to

* This document was prepared for JRB Associates as part of an evaluation of the resource base of the Palcazu Valley undertaken by USAID. It is found as Appendix L of Central Selva Resources Management, Vol.II, JRB Associates, Lima, October 1981. Section 1. a summary, has been omitted.

DIAGRAM NO. 1

NATIVE COMMUNITIES OF THE UPPER PALCAZU WATERSHED AREA

	<u>AREA</u>	<u>AREA</u>	<u>YEAR</u>	<u>POPULATION /</u>		<u>FAMILY</u>
	<u>DEMARCATED</u>	<u>TITLED</u>	<u>TITLED</u>	<u>1968</u>	<u>1976</u>	<u>1981</u>
Union de la Selva Cacazu	425	425	1976	n.d	n.d	27
Yuncullmas/Puellas	1437	1437	1976	9	20	34
San Pedro Pichanas	6750	6750	1976	32	43	50
Shiringamazu	2851.1	2851.1	1976	27	31	44
Alto Iscozacin	2502.0	1660.12	1978	--	26	26
Buenos Aires	3485.68	3257.66	1976	--	30	42
Santa Rosa de Chuchurras	2126	2048	1976	15	31	21
7 de Junio	8782.25	8733.5	1976	95	104	116
Alto Lagarto	2004.5	1064	1978	n.d	19	20
Machca Bocaz	--			12	n.d	20
Santa Rosa de Pichinas	1379			3	5	12
Loma Linda	5713			60	61	64
Puerto Laguna	--				21	24
Nueva Esperanza				0	37	37
		<u>28,226.28</u>			<u>453</u>	<u>537</u>
					2265	2685

Source: Smith 1976
 Miller, Martinez 1981
 PEPP, 1981b, 1981c

the Pichis-Palcazu Special Project (PEPP) Director asking that the Amuesha Yanachaga Project be reactivated and that the NNCC land holdings be increased.

During the annual meeting of the Amuesha Congress in July of this year, PEPP Director del Aguila explained to the delegates the PEPP land titling project for the Palcazu Valley, and secured the voluntary cooperation of the NNCC to clear a 30 yard diameter at the transect points. These clearings are to aid the technical staff locate the boundaries on air photographs which will be taken in November of this year. Under the supervision of PEPP topographers, community members began clearing their boundary lines while the USAID evaluation team was visiting the area (July 19-25, 1981).

During that visit, PEPP Technical Director, Dr. Hugo Velarde, explained that these procedures applied only to already titled lands; untitled NNCC were to be demarcated at some unspecified time in the future. He said that no community would receive an increase in land holdings unless it had cleared at least 60% of its present holdings. PEPP Director later explained that PEPP's policy is to encourage the incorporation of the native population into the national market economy by promoting their conversion from subsistence agriculture to land use directed at producing for the market economy. PEPP feels that the NNCC have sufficient land in their current holdings to do this.

On August 6, 1981, the PEPP signed a contract with the Dirección General de Reforma Agraria y Asentimiento Rural (DGRA/AR), with the Oficina General de Catastro Rural (O.G.C.R.), and with the Región Agraria (RA XII) XII-Huancayo, all of the Ministry of Agriculture, to finance and implement a comprehensive program of land demarcation, land settlement, and titling for the Pichis-Palcazu area. This project, which will cost approximately US \$6660,000 for 1981, will be directed and administered by the DGR/AR headquartered in Lima. The activities are to be carried out jointly by the four parties to the agreement.

According to the calendar of activities, the project will by December, 1981, inspect and review 66 current land titles, 780 untitled land holders, and grant 200 contracts to new settlers in both valleys. While alluding to the Native Communities, the agreement states no clear policy or line of action regarding the native population.

3. Guidelines for the Incorporation of Amuesha into the Market Economy*

3.1. By "incorporation of the Amuesha into the national market economy" we understand: assuring them sufficient resources, technical capacity, and capital to develop and organize their own productive forces to a point which permits them to participate in the market exchange on a competitive basis.

3.1.1. By "their own productive forces" we mean activities, in addition to subsistence ones, which permit the native population to produce marketable items--agricultural, animal, or forest products, manufactures, etc.--from which they receive a cash income.

* Information used to document this report and the recommendations made are based on the author's field experience with the Amuesha as a researcher and as an advisor to a variety of community development programs. The author has worked with Amuesha between 1967 and 1969, and again between 1973 and 1981. The author participated in the design of several earlier development projects for the Pichis-Palcazu region.

Preference should be given to enterprises which guarantee a maximum of community participation and which are located within physical boundaries of the NNCC. These enterprises should be ecologically sound, follow resource management and conservation practices, and give long term sustained yields capable of sustaining the community through generations.

3.1.2. By "resource base" we mean a sufficient quantity of land suitable for agricultural activities which will produce both for the Indians' own consumption and for the market; a sufficient quantity of land suitable for production forestry which can provide for the NNCC own building needs as well as for commercial lumbering; and a sufficient quantity of land suitable only for protection which can provide protein from hunting, medicinal plants, edible wild plants, and raw materials for domestic manufacture. By sufficient we mean an area, the sustained yield of which, when consumed and converted into cash, amply covers the material needs of the present population and guarantees the continued survival and sustenance of the community and its social and cultural integrity in the future.

3.1.3. By "technical capacity" we mean the education, training, and guidance needed for the native people to initiate, organize, and administer commercial production systems. Such training must allow Amuesha participation in the decision making and in the design of the programs. It can be expected that education and training must advance slowly over a long period of time (15-20 years or more).

3.1.4. By "initial capital" we mean low-interest, high-risk loans which can be used to initiate or improve productive activities. It must be assumed that there has not been sufficient capital accumulation within the community to provide an initial investment capital.

3.2. The process of incorporation and participation in the market economy must not be a coercive one. Political and cultural autonomy are not the price to pay for participating in the larger national project. Amuesha's autonomy and right to make decisions and choices throughout the process must be respected.

3.2.1. There are fundamental differences between the social and cultural orientation of the Amuesha and that of the colonist which must be taken into consideration when planning for and promoting economic development. The Amuesha live in an integrated social system which has its own rules for social interaction and its own internal dynamics. The Amuesha social and economic life is oriented toward the needs of extended family, the community, and the ethnic group. The community organization, based ultimately on common kinship and cultural ties, is becoming an important focus of their life. The social world of the colonist, on the other hand, is neither homogenous nor integrated; the emphasis here is almost exclusively on the individual and his nuclear family.

3.3. Participation in the market does not imply giving up subsistence agriculture nor any other activities which promote the economic self-sufficiency of the family (hunting, fishing, gathering, building, domestic manufacture, etc.). These activities give the family and their community greater economic security; this, in the long run, will encourage greater experimentation within the market economy. These activities are the only insurance the Amuesha family has against the abysmal poverty to which the market economy subjects so many marginal groups who grow to depend on it for their needs.

3.4. The Amuesha have been interacting with the market economy for over a century. They are currently engaged in commercial agriculture, cattle raising, coffee production, lumbering, and in one NC, small industry--a commercial pottery. They have experimented with communal and cooperative forms of production and marketing for 15 years. However, the great majority remain extremely poor; this is so because the conditions under which they participate in the market economy are extremely unfavorable, and their resource base is inadequate.

3.4.1. By "unfavorable conditions for participating in the market economy" we mean:

- A) Market economy organization and principles of capital accumulation are foreign to, and often contradictory with Amuesha cultural patterns. Therefore, the incorporation of this population into the market economy signifies a complete reorientation of many of those patterns. This is a slow and difficult process.
- B) In the Palcazu Valley, access to markets, transportation, credit, technology, education, and cash have been monopolized by a few colonist families for almost 100 years (Miller and Martinez, 1981). This has impeded the development of the Amuesha's own productive forces and their incorporation into the market economy.
- C) Racism, based on both race and culture, has also prevented the Amuesha from gaining access to the above.
- D) The Amuesha had no secure land base before 1976. The continuous uprooting of Amuesha settlement over the past century has impeded the development of commercial agriculture or any other stable commercial economic base among the Amuesha (Miller and Martinez, 1981).

3.4.2. We will clarify what is meant by "an inadequate resource base" in the following section.

3.5. The native inhabitants of an area such as the Palcazu are often the best suited participants of a long range program of economic development. They have already developed sophisticated survival strategies based on their accumulated knowledge of the environment and long term experimentation with appropriate technologies. Because it is their homeland, the native inhabitant has a vested interest in conserving the limited natural resource on which the future of his society depends. The new settler, on the other hand, who often sees his future in the urban areas, develops strategies for exploiting the natural resources on a short-term, high profit basis for the capitalization of economic activities outside the area. Furthermore, for the same reason, the native inhabitant is less likely to abandon the area if the development program fails.

4. Analysis of Land and Natural Resource Base of Palcazu NNCC *

4.1. Introduction and Methodology

The debate over how much land should be titled for a NC in the tropical forest area of Peru has been going on for many years. Unfortunately, it has been carried on with too little specific data and too many stereotyped arguments. In the case of the Palcazu Valley, there is now enough specific data to make accurate calculations of the resource base of each individual community. With these results it is possible to analyze more accurately the adequacy of the current land holdings and to make specific recommendations about future needs.

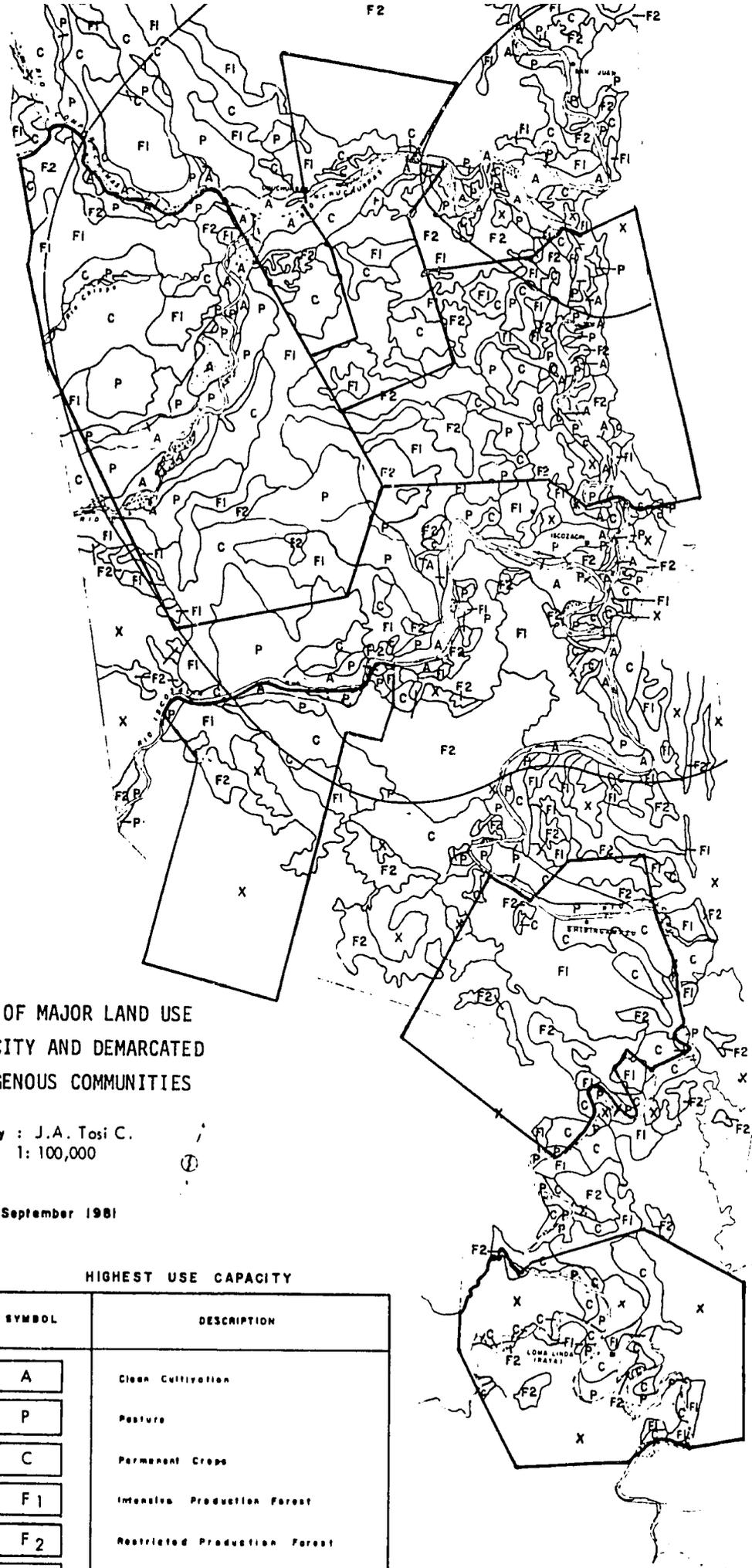
Three kinds of data were used in this study; the ONERN soil and land use classification maps for the Palcazu Valley, at a scale of 1/25,000; the original land survey maps for each titled community at a scale of 1/20,000 (provided by the Agrarian Reform Office, Lima); and population censuses for the same communities (Smith, 1976; Miller and Martinez, 1981). The procedure was simple: after transposing the boundaries of the NNCC to the ONERN map, a polar planimeter was used to ascertain the area in hectares of the different land use capacity classes (A,P,C,F1,F2,X) within the boundaries of each community to give an accurate land/family ratio.

4.1.1. Problems with Methodology

There were some problems. Neither Loma Linda nor Puerto Laguna are titled. However, they were surveyed as one community in 1976. The area demarcated in that survey was used here; boundaries were drawn on the ONERN map roughly in accordance with that survey. For the other NNCC which fall outside the area covered by the ONERN study (San Pedro Pichanas, Santa Rosa Pichanas, Lagarto), the officially titled or surveyed areas were used. Estimates of the percentage of total land area for each land use class were based on comparisons with similar or nearby areas on the ONERN map and on the consultant's personal knowledge of the area. Two communities (Machca Bocaz, and Nueva Esperanza) were eliminated from the study for the lack of any officially surveyed area figure.

Members of the Central Selva Resource Management Project Team have raised doubt about the land use capacity imparted to the Palcazu soils by ONERN. For this reason, this study was conducted with both the ONERN classification and the revised classification (see Tosi 1981) for comparative purposes. The results based on the revised classification were used for evaluating the adequacy of the NNCC land holdings.

* NNCC is Native Communities; NC is Native Community.



**MAP OF MAJOR LAND USE
CAPACITY AND DEMARCATED
INDIGENOUS COMMUNITIES**

by : J.A. Tosi C.
1: 100,000

September 1981

HIGHEST USE CAPACITY

SYMBOL	DESCRIPTION
A	Clean Cultivation
P	Pasture
C	Permanent Crops
F1	Intensive Production Forest
F2	Restricted Production Forest
X	Complete Protection

Diagram No. 2

AREAS OF LAND USE CAPABILITY CLASSES BY NATIVE COMMUNITY								
NATIVE COMMUNITY	NUMBER FAMILIES 1980	LAND USE CLASS	DNERN		REVISED INTERPRETATION (TOSI, 1981)			
			TOTAL HEC.	TOTAL HEC.	TOTAL %	HEC./FAM '60	'90	
1. 7 de Junio (133)	116 (M,M)	A	1232	395	4.5	3.4	2.2	
		P	0	1580	10	13.6	9	
		C	4497	1493	17	12.8	8.5	
		F ₁	2373	3073	35	26.5	17.5	
		F ₂		1317	15	11.3	7.5	
		X	681	324	10.5	5.9	1.8	
		TOTAL	8782	8782				
		2. Santa Rosa de Chimchifera (20*)	21 (20*)	A	60	60	2.8	2.7
P	0			0	0	0	0	
C	864			368	17	16.7	11	
F ₁	1125			736	34	35	23	
F ₂				952	44	45	27	
X	116			49	2.2	2.3	1.4	
TOTAL	2165			2165				
3. Buenos Aires (42*)	42* (42*)			A	129	35	1	0.8
		P	0	348	10	8.3	5.5	
		C	1254	366	10.5	8.7	5.7	
		F ₁	1080	714.4	20.5	17	11.2	
		F ₂		906	26	21.5	14.2	
		X	1022	1115	32	26.5	17.5	
		TOTAL	3485	3485				
		4. Alto Icaosacín (20*)	26 (20*)	A	150	43	1.7	1.6
P	0			100	4	3.8	2.5	
C	519			263	10.5	10.1	6.6	
F ₁	1070			250	10	9.6	6.3	
F ₂				450	18	17.3	11.4	
X	721			1376	55.8	52.7	35.8	
TOTAL	2502			2502				
5. Shiringamasu (51*)	44 (51*)			A	305	0	0	0
		P	0	85	3	1.9	1.2	
		C	936	456	16	10.3	6.8	
		F ₁	1288	827	29	18.8	12.4	
		F ₂		370	13	8.4	5.5	
		X	332	1113	39	25	16.7	
		TOTAL	2851	2851				
		6. Loma Linda Puerto Laguna (84*)	88 (84*)	A	408	0	0	0
P	0			200	3.5	2.2	1.5	
C	489			514	9	5.8	3.8	
F ₁	1828			200	3.5	2.2	1.5	
F ₂				114	2	1.3	0.85	
X	2388			4685	82	53.2	35	
TOTAL	5713			5713				

AREAS OF LAND USE CAPABILITY CLASSES BY NATIVE COMMUNITY								
NATIVE COMMUNITY	NUMBER FAMILIES 1980	LAND USE CLASS	DNERN		REVISED INTERPRETATION (TOSI, 1981)			
			TOTAL HEC.	TOTAL HEC.	TOTAL %	HEC./FAM '60	'90	
7. Santa Rosa de Pichanae (18*)	12* (18*)	A	n.d.	0	0	0	0	
		P	n.d.	27	2	2.3	1.5	
		C	n.d.	69	5	5.7	3.7	
		F ₁	n.d.	42	3	3.5	2.3	
		F ₂	n.d.	42	3	3.5	2.3	
		X	n.d.	1200	87	10.0	66	
		TOTAL		1379				
		8. San Pedro de Pichanae (50*)	50* (50*)	A	n.d.	0	0	0
P	n.d.			135	2	2.7	1.6	
C	n.d.			270	4	5.4	3.3	
F ₁	n.d.			203	3	4	2.6	
F ₂	n.d.			203	3	4	2.6	
X	n.d.			5940	88	118.8	78	
TOTAL				6750				
9. Alto Lagarto (20*)	20*			A	n.d.	0	0	0
		P	n.d.	40	2	2	1.3	
		C	n.d.	100	5	5	3.3	
		F ₁	n.d.	60	3	3	2	
		F ₂	n.d.	60	3	3	2	
		X	n.d.	1744	87	87.2	57.5	
		TOTAL		2004				

* Miller, Martínez 1981
 • Informe de Viaje, PEPP, 1981

4.2. Results of the Analysis

The results of the analysis appear in Diagram 2 on the following three pages. As might be expected, there is a wide range in the quantity and quality of lands available in the 10 NNCC considered here. Agricultural lands (Class A, P, C) range from a high of 39.5% of the total area in the case of NC 7 de Junio to a low 6% in the case of NC San Pedro Pichanas. Forest lands range from a high 78% of total land area in NC Santa Rosa Chuchurras to a low 6% in NNCC San Pedro Pichanas, Santa Rosa Pichanas, and Alto Lagarto. Protected areas range from a very low 2.2% in NC Santa Rosa Chuchurras to a high of 88% in NC San Pedro Pichanas (See Diagram 3).

DIAGRAM NO. #3

LAND USE CAPABILITY CLASS AREAS AS PERCENTAGE OF TOTAL AREA

<u>NATIVE COMMUNITY</u>	<u>CLASS A+C+P</u>	<u>CLASS F1+F2</u>	<u>TOTAL USABLE AREA</u>
1. 7 de Junio	39.5%	50 %	89.5%
2. Santa Rosa Chuchurras	19.8%	78 %	97.8%
3. Buenos Aires	21.5%	51.5%	73 %
4. Alto Iscozacin	16.2%	28 %	44.2%
5. Shiringamazu	19 %	42 %	61 %
6. Loma Linda - P. Laguna	12.5%	5.5%	18 %
7. Santa Rosa Pichanas	7 %	6 %	13 %
8. San Pedro Pichanas	6 %	6 %	12 %
9. Alto Lagarto	7 %	6 %	13 %

There is clearly an unequal distribution of usable lands amongst the NNCC; those NNCC located on the alluvial plains of the Palcazu River and its tributaries (7 de Junio, Santa Rosa Chuchurras, Buenos Aires, Alto Iscozacin and Shiringamazu) have more better quality lands than those NNCC located in the mountainous headwaters. This can be explained by the fact that lands were demarcated between 1968 and 1976, according to population and settlement pattern. The quality of the land itself was not taken into account.

A comparison of the ratios of agricultural land per family points at this inequality more clearly. (See Diagram 4). The 10 NNCC of the study fall into three groups; NC 7 de Junio with a ratio of 29.8 hectares/ family is clearly in a class by itself as the NC best endowed with agricultural lands.

DIAGRAM NO. 4
RATIO OF AGRICULTURAL LANDS AND FAMILY
(CLASS A, CLASS P, CLASS C)

NATIVE COMMUNITY	HECTARES/FAMILY 1980	HECTARES/FAMILY 1990
7 de Junio	29.5	19.6
Santa Rosa Chuchurras	19.4	12.8
Buenos Aires	17.5	11.7
Alto Iscozacin	15.5	10.2
Shiringamazu	12.2	8
Loma Linda - P. Laguna	8	5.2
Santa Rosa de Pichanas	8	5.2
San Pedro de Pichanas	8.1	5.3
Lagarto	7	4.6

The second group with ratios ranging from 12.2 has/family to 19.4 has/family, contains the four other floodplain communities. The third group with ratios ranging from 7 has/family to 8.1 has/family is the poorest and contains the five headwater NNCC. When we look at the ratio of forest land per family we find a similar grouping (See Diagram 5). NC Santa Rosa Chuchurras stands out with a much higher ratio of 77 has/family, the other flood plain NNCC range from 26.9 has/family to 37.5 has/family. The five headwater NNCC range from 3.5 has/family to 8.1 has/family.

DIAGRAM NO. 5
RATIO OF PRODUCTION FORESTRY LANDS PER FAMILY
(CLASS F1 AND F2)

NATIVE COMMUNITY	HECTARES/FAMILY 1980	HECTARES/FAMILY 1990
Santa Rosa Chuchurras	77	50.8
Buenos Aires	38.5	25.4
7 de Junio	37.8	25
Shiringamazu	27.2	17.9
Alto Iscozacin	26.9	17.7
San Pedro de Pichanas	8.1	5.3
Santa Rosa de Pichanas	6.9	4.5
Lagarto	6	3.9
Loma Linda - P. Laguna	3.5	2.3

4.3 Interpretation of the Results

In this section the land/family ratios are compared with the land needs of the population for different economic activities in order to calculate the adequacy of present land holdings. Subsistence agriculture, commercial agriculture, cattle raising, and production forestry are considered.

4.3.1. Land/Family Ratio and Subsistence Agriculture

The Amuesha, like the colonists of the Palcazu Valley, practice a variety of slash and burn agriculture, by which they cut an area of forest (usually, early secondary vegetation) burn it, and plant their food crops. When depleted soil fertility and the invasion of weeds make the garden production dwindle (usually after one or two years), the site is abandoned and the forest is allowed to regenerate itself. In this way the soils are permitted to recover their lost fertility. The site will remain fallow for 10 to 20 years before it is reused as a garden site. Recently, population pressure is forcing each family to use their garden sites for a longer time and to shorten the fallow period. This causes a general degradation of the soils and a lower yield as is evident in the Amuesha communities around the town of Villa Rica.

Each family plants up to three separate gardens each year:

1. The smallest, often less than 1/4 hectare, is planted in climbing beans.
2. On the flood plains, the family will plant up to one hectare of bananas, corn, beans, manioc, a variety of tubers, peanuts, sugar cane, fruits etc.
3. In areas of poorer soils, up to one hectare of manioc and rice is planted. The family supplies its own vegetable needs from its garden, feeds the frequent visitors, and redistributes any excess production to nearby kinfolk.

If we assume an average size garden of 1.5 hectares per year and an average fallow time of 10 years, then a minimum of 15 hectares of agricultural land is needed to supply the vegetable food intake of an individual Amuesha family. As of 1980 six NNCC did not have sufficient agricultural land to provide each family with this minimum. Three NNCC could provide a small margin beyond that needed for subsistence.

In 10 years time, assuming current 4.5% annual population growth (natural growth plus immigration) only one community will have sufficient farm land to feed its own population through subsistence agriculture and still have an excess for commercial agriculture. The others will

already have been clearing and planting lands appropriate only for production forestry and protection, promoting the long term degradation of the soils and the forest reserves, and resulting in greatly lowered yields. This combination of deteriorated land base and nutritional deficiencies is characteristic of all Amuesha NNCC in the heavily colonized region of Villa Rica - Oxampampa.

4.3.2. Subsistence Agriculture and the Market Economy

One may argue that once the Amuesha have been incorporated into the market economy, they can supplement their need for subsistence agriculture by buying food on the market, and thus freeing their labor to produce a cash income in some other activity. However, it should be pointed out that it will take many years of training, guidance, and experimentation plus the initial capital to establish a revenue generating commercial enterprise capable of sustaining a large number of Amuesha families. Meanwhile, the Amuesha and colonist population must feed itself from the limited land base it has. If the Amuesha are able, one day, to earn sufficient cash income to pay for their subsistence needs, it is unclear who, then, will produce the food which they will buy.

One could also argue that with more capital and labor inputs, the yields of the gardens could increase to the point where it would be unnecessary to rotate them as often or at all. In this way, less land would be needed for the population to feed itself. At this point the Amuesha do not have sufficient capital to invest in their subsistence gardens. Fertilizers, for example, are in short supply in Peru and are expensive. The current high cost and monopolization of transport into the Palcazu also put fertilizers beyond the Amuesha reach. Even if they had access to fertilizers, they would lack the technical knowledge to use them properly.

The labor supply for a given garden is limited by the number of hands in the family. Few Amuesha have enough capital to hire outsiders to work on their gardens. In some communities however, both men and women have been experimenting with cooperative work groups, held together on the basis of reciprocal obligations. The whole group works an equal amount of time in the garden of each individual member. Ideally such arrangement could improve productivity. Finally, this subsistence pattern, common to most peoples living in tropical forest regions, is a very deeply rooted cultural pattern. For that reason, it will change only when it is proven beyond doubt that some other pattern will produce more for less input.

4.3.3. Land/Family Ratio, Commercial Agriculture and Cattle Raising

Because commercial agriculture is not an important activity in the Palcazu Valley, it is difficult to estimate with precision the minimum amount of land which is necessary for a viable agricultural enterprise. In December, 1980, the Proyecto de Inversion de Asentamiento Rural Pichis-Palcazu (PIAR-PP, Ministry of Agriculture) estimated for this area that the minimum unit of land which could support a single family engaged in agriculture was 64 hectares.

A study commissioned by PEEP for the Pichis Valley estimates as a minimum size 8-10 hectares on Class A soils for intensive annual crop production or 30 hectares per family on poorer soils utilizing the traditional shifting cultivation with permanent crops. Pool (1981) supports those estimates by drawing up a cropping and annual income schedule for each type of production unit. According to his estimates incomes from those two agricultural units could average about US \$2,000 per year, under optimal conditions.

The PIAR-PP estimated that the minimum size unit which could support a single family engaged in cattle raising is 120 hectares. Data from the Staver report (1981) show that 50 has. of pasture land (Class P Lands) would be required to produce an annual income equivalent to 10 has. of Class A lands or 30 has. of Class C lands.* Pool concurs with this figure.

By converting the land available in the NNCC to Class A land unit-equivalents (1 ha. A land = 3 has. C land = 5 has. P land) it is possible to establish current ratio of agricultural land unit-equivalents per family for each NNCC. By comparing this figure with the minimum 10 unit-equivalents/family necessary to support a family, a fair estimate of the adequacy of the current land holdings can be established (See Diagram 6).

This analysis shows that only one NC, 7 de Junio, currently has sufficient agricultural lands to provide the minimum of 10 unit-equivalents per family. Six NNCC, those of the headwaters, are well below this minimum. The current land holdings therefore are not even minimally sufficient to provide a cash income from either agriculture or cattle raising.

Because of the severe land limitations, cattle raising is not an alternative which is both economically viable and ecologically sound. However, the Amuesha in all of the Palcazu NNCC are actively engaged in cattle raising; the current cattle population in the NNCC is at 2,500 head and growing. A comparison of total area of agricultural lands with the areas under cultivation shows that in all but two cases, areas

*The Staver Appendix demonstrates that under current conditions, one hectare of pasture produces an average of 31 kg. of meat per year--for a gross income of approximately US \$48 per ha. per year. The same report also demonstrates that costs per hectare to produce the 31 kg. of meat are slightly higher than the market value of the meat, producing a loss on net income. However, if we assume that the labor costs accrue to the family-run business, one hectare of pasture would produce an annual income of US \$36. In this case 50 has. of pasture (Class P Lands) would be required to produce an annual income equivalent to 10 has. of Class A Lands or 3 has. of Class C Lands.

DIAGRAM NO. 6

RATIO OF UNIT - EQUIVALENTS OF AGRICULTURAL LAND PER FAMILY
(1 ha. A Land = 3 has. C Land = 5 has, P Land)

<u>NATIVE COMMUNITY</u>	<u>1980</u>	<u>1990</u>
1. 7 de Junio	10.4	6.8
2. Santa Rosa Chuchurras	8,7	5.7
3. Buenos Aires	5.4	3.5
4. Alto Iscozacin	5.8	3.8
5. Shiringamazu	3.8	2.8
6. San Pedro Picharas	2.3	1.5
7. Loma Lima	2.4	1.5
8. Santa Rosa Pichanas	2.3	1.5
9. Alto Lagarto	2	1.3

under pasture far exceed the areas classified for that activity (Diagram 7). In 2 NNCC the total area under cultivation surpasses the land use capacity. Further expansion of the cattle industry needs to be closely monitored to prevent further deterioration of lands unsuited to that activity.

4.3.4. Land Family Ratio and Production Forestry

The PIAR-PP estimated the minimum size of a family forestry unit at 400 has. for the Pichis-Palcazu region. This implies a rotation period of 30 years. PEPP made two different calculations of the parcel size for the forestry colonization project within the Von Humboldt National Forest. One established a parcel size of 400 has. with a yearly exploitation of 20 has.; the other 235 has. with a yearly exploitation of 12 has. In each case the colonist would presumably combine some subsistence agriculture with his forestry activities in order to provide food for his family.

Judging from this basis, no NC in the Palcazu watershed area has sufficient forest lands (Class F1 and F2) to make lumber production a viable economic alternative on a long term sustained yield basis. By combining production forestry with subsistence and commercial agriculture, two NNCC (7 de Junio, Santa Rosa de Chuchurras) may have an adequate resource base to support their populations. The five NNCC with less than 10 has./family cannot count on sustained yield lumbering to support any portion of their population. At best the lumber from these communities could provide an initial capital for investing in other more productive activities.

Two other factors complicate the forestry picture. First, much of the accessible forest within the NNCC has already been exploited for house construction, boat building, and for commercial sale. Those forests would now be less productive for commercial lumbering and a larger area of forest would be needed to support a family.

DIAGRAM No. 7

COMPARIS OF TOTAL AREA BY LAND USE CAPABILITY CLASS WITH TOTAL AREA CURRENTLY UNDER CULTIVATION							
NATIVE COMMUNITY	CLASS A + C	IN CROP CULTI- VATION	CLASS P	IN PASTURE	CLASS A + C + P	TOTAL UNDER CULTI- VATION	% UNDER CULTI- VATION
1. 7 DE JUNIO	1888	165	1580	1000	3468	1165	34%
2. SANTA ROSA CHUCHURRAS	428	38	0	250	428	288	67%
3. BUENOS AIRES	401	96	348	850	749	946	126%
4. ALTO ISCOZACIN	306	70	100	180	406	250	62%
5. SHIRINGAMAZU	456	180	85	720	541	900	166%
6. LOMA LINDA-P LAGUNA	514	267	200	230	714	497	70%
7. STA. ROSA PICHANAS	69	45	27	35	96	80	83%
8. SAN PEDRO PICHANAS	270	130	135	60	405	190	47%
9. ALTO LAGARTO	100	n.d.	40	n.d.	140	n.d.	

Second, the Forestry and Wildlife Law (D.L. 21147) states that the forest resources within the NNCC boundaries remain under the public domain. Article 35 of that law says that the community has exclusive right to exploit those forests, but only after submitting a plan for communal exploitation of the resource and securing permission from local forestry office. According to PEPP personnel unscrupulous timber dealers are encouraging individuals within the NNCC to sell off the timber. Management of these forests, under the jurisdiction of the community assembly, needs to be implemented to protect them and to rationalize their exploitation.

5. Conclusion and Recommendations

5.1. Land Holdings and Development Potential

It is difficult to foresee all the factors which will affect the future development of the Palcazu NNCC. However, there is general agreement among those who have worked in similar situations that land and natural resources are amongst the most important factors. In this vein, we have attempted to rate the Palcazu NNCC in terms of the capacity of their current land and resource base to support long range economic development

and to permit the Amuesha residents to participate successfully in the market economy. One NC (7 de Junio) received a good rating; four NNCC (Santa Rosa Chuchurras, Alto Iscozacin, Buenos Aires, and Shiringamazu) a fair rating; and five NNCC (Loma Linda/Laguna, Santa Rosa Pichanas, San Pedro Pichanas, and Alto Lagarto) a critically poor rating. We will examine each group individually.

5.1.1. The largest Amuesha community, 7 de Junio, with 8782 hectares of valley bottom land, is well endowed with agricultural lands and moderately well endowed with forestry lands. This NC can withstand moderate population growth and substantial expansion of agricultural activities. The management of the large number of cattle raising enterprises must be improved in order to increase productivity and reduce the area needed for pasture.

A shift to commercial agriculture, preferably to some permanent crops, should be encouraged. This NC has very little land for protection only, this will manifest itself, if it hasn't already, in a reduced protein intake from hunting.

5.1.2. The four NNCC rated fair are minimally endowed with agricultural lands and moderately well endowed with forest lands. A mixed economy of agriculture, cattle raising, and production forestry is indicated. While Santa Rosa Chuchurras has a large forest land/family ratio, its agricultural lands are small. Fifty percent of the agricultural lands are now under pasture. This community should immediately begin shifting emphasis to production forestry while intensifying the cattle production. Any further expansion of the pastures will be at the expense of forest land. An area of agricultural lands should be reserved for subsistence agriculture.

Alto Iscozacin can continue to expand its agricultural and cattle raising activities for a few years, but should begin to intensify both while going into production forestry.

Both Shiringuamazu and Buenos Aires have more lands under cultivation than is recommended. The excess is entirely in pasture. This means that production forest and protection lands are already being cleared for new pastures. A shift to permanent crops should be encouraged while cattle production is intensified.

In both communities the forest reserves are relatively small and will need careful management. None of these NNCC can withstand any significant increase in their population without serious problems in soil deterioration and generally lower productivity.

5.1.3. The five NNCC rated critically poor are so poorly endowed with agricultural and forest lands that their situation is already critical. Serious problems have so far been avoided only because the residents of these NNCC have been relatively insulated and therefore minimally dependent on the market economy. As the Palcazu branch road will shortly pass through three of these NNCC, their needs for consumer goods will rapidly increase as will the pressure on their land and resources to produce greater cash incomes to pay for these goods. Within the decade,

the resources of these NNCC will be under severe pressure, provoking serious overall environmental degradation and possible food shortages.

None of these five NNCC offer any prospects for activities directed towards the market economy. Once the forest resource has been depleted, the small area of agricultural lands will support very few people with new consumer demands. The forced incorporation of these communities into the market economy through the construction of the Palcazu road will produce mass emigration to the NNCC of valley bottom increasing the land pressure there, and the pauperization of those who stay behind. Many other Amuesha communities in the Villa Rica - Oxapampa area have repeated this same pattern in the past two decades.

5.2. Long Range Effects of Land and Resource Scarcity in Palcazu NNCC

1. The Amuesha will become poorer. Increasing population, decreasing soil fertility, and resource depletion will combine to reduce productivity and income per capita. Individual Amuesha families will become less able to sustain their own basic needs for food, clothing, and shelter from local resources and thus more dependent on the market to supply them.
2. The Amuesha population who can no longer satisfy their increasing needs for cash will:
 - A) Continue to live and practice subsistence agriculture in their community, but form part of a marginally employed labor pool for the large cattle ranches and the growing lumber industry of the Palcazu Valley;
 - B) Migrate to other better endowed NNCC increasing the pressure on their resources;
 - C) Migrate to urban areas in search of higher paying jobs, thus adding to the ranks of the urban unemployed.
3. The current situation will create a marked inequality in land distribution in the valley with individual colonists holding up to 50 times the amount of land available to individual Amuesha families. This will increase both social resentment and potential conflict between different socio-economic groups.
4. As the land/family ratio decreases, the control over the communities' lands and forest resources will become more individualized, and distribution of these resources will become less equal. As competition for scarce resources increases, prompted by the exigencies of the market economy, social conflict will increase within the community, straining the community structure and the whole web of ties which holds the Amuesha together as a distinct social and ethnic group.

5.3. Recommendations

5.3.1. Increased Land Holdings

In order to assure the Amuesha of the Palcazu Valley a sustained and beneficial economic development which would guarantee them a competitive

participation in the market economy, it is essential that the Peruvian Government increase the recognized land holdings of the Palcazu NNCC to the point that each family is guaranteed a minimum land and resource base. This is the necessary first step of a long range program of economic development for the Amuesha. The redistribution of the Palcazu Valley lands to assure the current residents, Amuesha and colonists, an adequate land base, must take top priority, coming before any plan to distribute those lands to outsiders for colonization or for production forestry.

We strongly recommend a minimum of 10 unit-equivalents of agricultural land (1A = 3C = 5P) per family, 70 hectares of production forestry land (Class F) per family, and 50 hectares of protection lands (Class X) per family. This we feel would offer an adequate base for a mixed economy of agriculture, cattle raising, forestry, and subsistence within each community plus room for some future population growth.

Because Amuesha culture is intricately interwoven into its forest environment, it is extremely important to provide adequate areas of land for the extraction of materials for domestic construction and manufacture, for the management of the wild fauna, and for the harvest of medicinal and other culturally important plants.

DIAGRAM No. 8

RECOMMENDED INCREASES IN LAND HOLDINGS FOR PALCAZU NATIVE COMMUNITIES				
Based on minimum land/family ratio of 10 unit-equivalents agricultural land, 70 nec. production forest land, 50 nec. protection land for the current population				
	CLASS A,C,P land UNIT-EQUIVALENT	CLASS F1, F2 LAND	CLASS X LAND	TOTAL
1. 7 de Junio	--	3735	5115	
2. Santa Rosa Chuchurras	27	--	1002	
3. Buenos Aires	193	1323	987	
4. Alto Iscozacín	102	1120	(-96)*	
5. Shiringamazu	273	1870	1100	
6. Loma Linda/P.Laguna	669	5952	(-285)	
7. Santa Rosa Pichanas	92	757	(-600)	
8. San Pedro Pichanas	385	2975	(-3440)	
9. Alto Lagarto	160	1280	(-744)	
10. Nueva Esperanza	370	2590	1850	
11. Machca Bocaz	200	1400	1000	
12. Yuncullmas-Puellas	320	2227	00	
13. Union Cacazu	216	1665	1350	
T O T A L	3014	26804	7239	

* Numbers in parenthesis represent an excess of protection lands which are discounted from the total.

We also strongly recommend that this minimum land base formula be applied to all 14 NNCC of the Palcazu drainage basin, including those of the Bocazu and Cacazu Rivers.* Members of those NNCC are already migrating into the Palcazu Valley in search of lands

The current titled land holdings of 28,226 has. provide only 40% of the required minimum. Calculations for land increases should be based on what is needed to bring each NC up to the minimum level established here. In some cases a NC already has the minimum land/family ratio for a particular class of land. For example, Lagarto has 20 families; it should have a minimum of 200 units of agricultural land, but has only 41 units. An increase of 159 equivalent units of agricultural land is called for. Lagarto should have a minimum of 1330 hectares of production forestry land; it has 346 hectares which necessitates an increase of 983 hectares. Lagarto should have a minimum of 950 hectares of protection land; it has 1212, and therefore requires no further increase. According to these calculations, among the 14 NNCC with 537 families, there needs to be an increase of 3014 unit-equivalents of agricultural lands, 26,804 hectares of production forestry lands, and 7239 hectares of protection lands.

Where possible, these increases should be made on lands contiguous to the community. The Amuesha - Yanachaga project (Smith, 1977) offers concrete proposals along these lines. Although new colonization has been heavy since that proposal was made, many of the areas suggested then for expanding the NNCC are still unsettled. In general terms, these lands would border the proposed Yanachaga National Park. Where this is not possible, lands should be titled under Art. 10 of D.L. 21175 in another part of the Palcazu Valley.

Areas of possible expansion for the NNCC are the lower Pozuzo-Codo de Pozuzo area, Enock - Flor de un Dia area in the lower Palcazu, the forest block between the Chuchurras and Lagarto Rivers, or the forest block between the Lagarto and Mairo Rivers. The residents of the headwater communities should be encouraged to migrate to these new community lands.

5.3.2. Land and Resource Management Plan

Once the Peruvian government has recognized the land holding increases recommended here, there will be no possibility of any significant increases in the future. With the arrival of the road to the Palcazu, unclaimed lands will become a thing of the past. The Amuesha will have to build their future on the lands already titled. If those lands are poorly used, and the soils deteriorate rapidly, productivity will decrease. For these reasons, it is strongly recommended that as the second step in a long-range program of economic development for the Amuesha, a land planning and resource management program be developed and implemented for all community lands in the Palcazu. This plan should locate the available lands and their capability, and develop strategies for their most efficient use which could guarantee environmentally sound, sustained-yield productivity (Staver 1981).

*It is also recommended that this formula, perhaps with the exception of the protection lands be applied to the colonist population in order to assure that they too have a minimum land base for their future development.

Such a plan can work only if it is elaborated with the full participation and consent of the Amuesha, through their representative organization: the Amuesha Congress, its branches the Casa Cultural and Agroyanesha and the General Assemblies of each NC in question. As there would probably be some initial resistance to such a plan, it is vital that prior to developing such a plan, the Amuesha residents be educated as to why it is necessary and how they will benefit from it. This stage is the key to future success with such a plan.

This plan must not only establish appropriate activities such as production schedules, fallow periods, and inputs needed, but also limits to other activities. Cattle raising needs to be severely limited in some communities and in others it needs to be better managed to improve productivity without expanding pasture areas. As commercial agriculture, especially permanent crops, becomes more profitable, it should be promoted as an alternative to cattle raising, but again only in appropriate areas. Forests need to be managed in such a way as to provide long term sustained-yield productivity. This could be done through selective lumbering, natural reforestation of valuable species, and limiting the areas to be lumbered annually. As the land and resources differ from one community to another, productive activities must also differ.

Perhaps the keystone to this plan must be the satisfaction of basic subsistence needs. Areas of agricultural lands around settlements should be reserved permanently for subsistence gardening so as to assure an adequate food supply in the future. Wild palms which provide leaves for roofing should be carefully managed in their natural state, and also planted in areas near settlements. A wildlife management plan should also be developed to assure a continued supply of protein from hunting.

This plan should encourage experimentation with new economic activities which lessen the already heavy load on the environment. The collection and industrialization of rubber and other wild gums could offer such an alternative.

It is our opinion that all specific development projects for the Palcazu NNCC are contingent on the two conditions outlined above; without an adequate land and resource base, and without long term land and resource management plan, other efforts would only temporarily relieve a chronically worsening situation. With these two conditions met, the Amuesha can look forward to participating beneficially in the Peruvian nation and economy.

CHAPTER V

DEVELOPMENT PROPOSALS AND ALTERNATIVES FOR THE PALCAZU

Project Synthesis Paper*

1. INTRODUCTION

1.1. Purpose of the Central Selva Resources Management Project

The immediate objective of the project is to maximize the sustained productivity of the Palcazu watershed and increase the incomes of native communities and colonists in the area through effective management of natural resources. Emphasis is upon upper watershed protection and introduction and improvement of agricultural and forestry practices appropriate to the Ceja de Selva ecosystem. Intimately related to this objective is the mitigation of negative effects of highway construction on the environment and well-being of the population. A broader goal of the project is to utilize the Palcazu experience in integrated resource development as a model for a national program focused on the Ceja de Selva.

1.2. Function of the Synthesis

The synthesis provides an integrative link between the Environmental Assessment and Project Paper. Drawing upon the wealth of data generated during the EA, the team has formulated a series of recommended development activities for consideration by the USAID Mission in preparing the Project Paper. It is our professional judgment that these activities are environmentally and socially sound and will lead to the best rate of return on investment. The modest direct return on pioneer investment in the Palcazu will reap additional benefits as the experience gained is extended to other areas of the Ceja de Selva.

1.3. Proposed Activities

1.3.1. Regional Development Strategy

A philosophy and structure for environmental management will be established to guide research and extension activities. Components will include staff training, baseline data collection and management and a plan for evaluation (Section 2).

1.3.2. The land capability study will be used to zone the area according to agricultural, forest and protection land use potential. In turn this zoning will guide titling of private and communal lands, delimiting of forest concessions and establishment of watershed protection areas (Section 3).

1.3.3 Upper Watershed Protection

Precipitous slopes and high rainfall (in excess of 4,000 mm) indicate that the upper watersheds best serve to stabilize regional water flows, reduce downstream sedimentation and protect unique ecosystems of the Ceja de Selva. A national park and watershed reserves will be proposed to serve this function (Section 4).

1.3.4. Forest Management

The forest management program will have the dual objective of obtaining sustained yield from the natural forest and assuring that the local population, native and colonist, derive maximum economic benefit from forest exploitation and wood processing (Section 5).

* Excerpts from Project Synthesis Paper written by Joshua Dickinson, Marc Dourojeanni, Dennis McCaffery, Douglas Pool, and Richard Chase Smith. CENTRAL SELVA RESOURCES MANAGEMENT Vol. I, JRB Associates, Lima, Peru. October, 1981.

1.3.5. Agricultural Research and Extension

A small farm system approach integrating ecological and economic considerations in farm management will be used. Existing agricultural activities will be improved and new practices introduced via adaptive research and on-farm demonstration backed by an extension and credit infrastructure (Sections 6 and 7).

1.3.6. Native Community Assistance

Within the overall framework of regional development, programs will be implemented, in coordination with community organizations, to meet the unique needs of the Amuesha community. These include enlargement and titling of community holdings, land use planning and management programs for community lands, and specific activities aimed at improving the sustained yield productivity of both agricultural and production forestry lands, and at improving access to markets for products (Section 8).

1.3.7. Highway Construction

The alternative of building a spur road from the Carretera Marginal into the lower Palcazu Valley is strongly favored by the design team. This alternative would achieve substantially all of the development benefits envisioned from the activities mentioned above while minimizing the most serious threats to the upper watershed functions, limiting disruption of the integrity of native communities and avoiding the high construction costs associated with a highway through the upper watershed (treated separately by USAID).

1.4. Inherent Limits to Ceja de Selva Development

The factors which limit the net production of Amazonian forest areas, i.e. Yurimaguas and Pucallpa, are weed and pest competition, nutrient leaching or immobilization, high soil acidity, and erosion by heavy downpours. All of these limiting factors are relatively more serious in the Ceja de Selva where rainfall can be more than double that in Low-land Amazonia. The situation in the Palcazu Valley is relatively more serious because of the soils derived from nutrient-poor parent material and the steep slopes, both on the mountains and associated with the highly dissected terraces occupying much of the valley floor. These limitations must temper our expectations from development investments. However, people now living in the valleys of the Ceja de Selva have legitimate aspirations for improving their well-being. In addition, landless poor and speculators alike will exploit land in these areas as access is provided. Humane considerations justify development assistance in the Ceja.

In addition, the Ceja is admirably suited for such functions as watershed protection and hydro-electric power generation if properly managed.

1.5. Hazards

Should USAID fund highway construction in the Palcazu Valley without unequivocal guarantee that land titles will be established and respected, forest concessions regulated and that the policing of protective areas will be institutionalized, then the following effects can be expected:

- Watershed protection functions of the area will be seriously impaired and the viability of the proposed Yanachaga National Park will be jeopardized.
- Sustained production potential of the natural forest resource will be irreversibly degraded.
- Erosion and sedimentation will occur with resultant permanent degradation of the soils resource, loss of downstream fisheries, reduced river navigability and increased flooding.
- The cultural integrity and land base of native communities will be threatened by uncontrolled colonization and timber concessionaires.
- Opening of the valley will result not in development, but rather the spreading of rural poverty.

2. REGIONAL DEVELOPMENT STRATEGY

2.1. The Environmental Management Approach

Environmental management implies the optimization of the sustained contribution of all components of the human environment to the development process. This includes the output of food and fiber from the agricultural component, the contribution of goods and services from natural systems such as forest products, wildlife, fish and watershed protection, and the research, extension, processing and marketing functions of the population centers. Optimization requires interdisciplinary effort on the part of the ecologist, forester, agricultural scientist, social scientist and economist with a structure for evaluation and control. Environmental management in the Palcazu Valley implies a systematic process of integrating activities within the region reaching the individual farm family and coordination of interactions with the national economy and administrative structure.

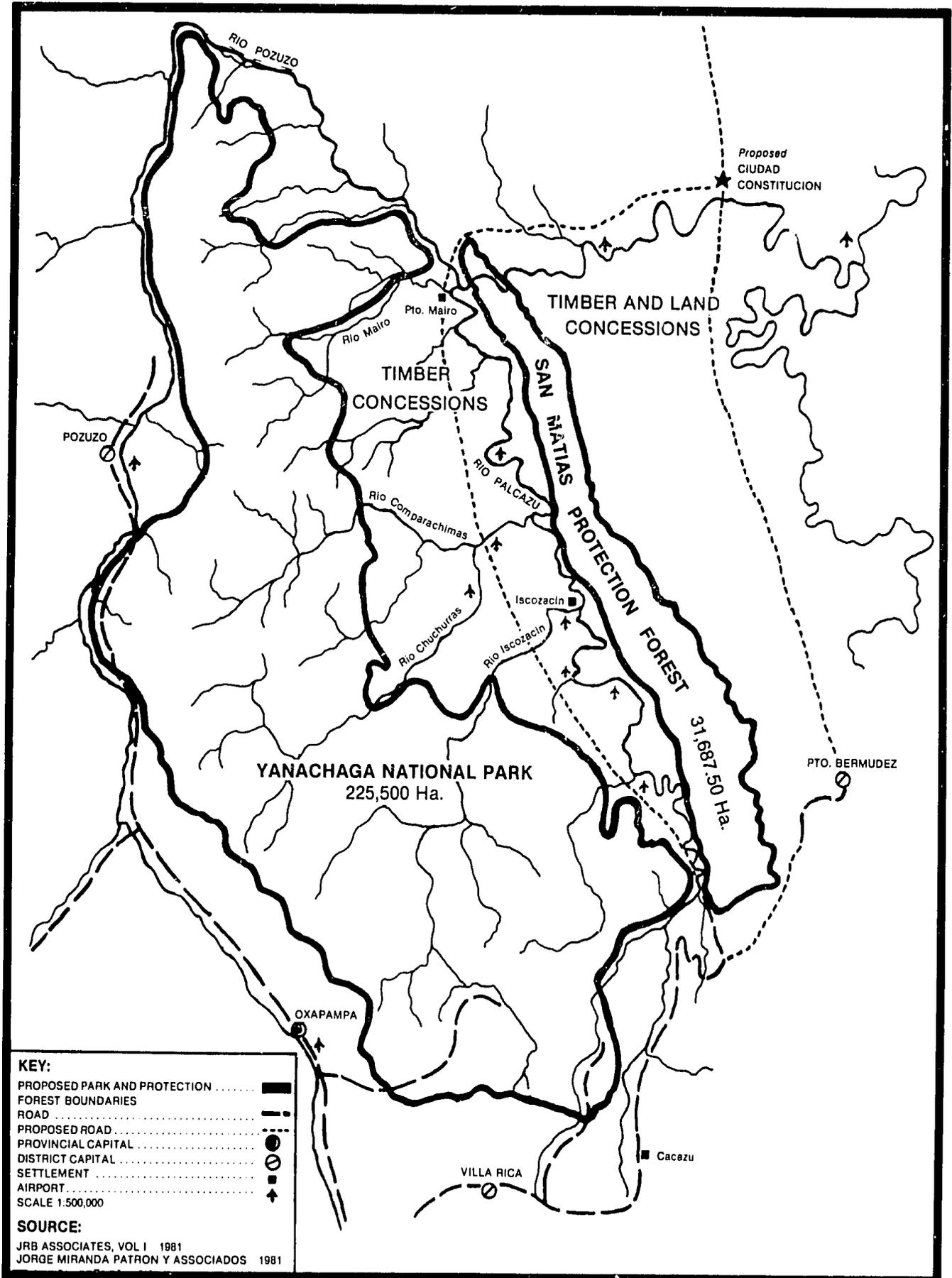
2.2. Agricultural Development Strategy

The agricultural technology to be introduced in the Palcazu Valley recognizes:

- The inherent ecological limitations of the area (See Section 1.4)
- The cultural diversity of the area and the very low capacity of the majority of the population to utilize sophisticated technology
- The disperse settlement pattern, poor road network within the valley, and great distance to sources of inputs
- Non-existent service in infra-structure

Considering the limitations outlined above, the strategy for agricultural development will emphasize modest increase in production based on relatively low cost, simple inputs such as low levels of fertilization, improved varieties of existing crops, use of locally produced feeds for increased animal production, consistent animal health care and culling of unproductive animals. Relatively high capital inputs will be reserved for readily transferable technologies which are independent of environmental constraints such as centralized processing of fruits for juice, palmito, and feeds such as yuca and pejebaye fruit.

4 PROPOSED NATIONAL PARK, PROTECTION FOREST, AND ROADS—1981



3. LAND CAPABILITY AND USE

The basis for environmental management in the project is a land capability classification incorporating ecological parameters (Holdridge Life Zone System), soil characteristics and topography (See Tosi 1981).

3.1. Zoning According to Capability

3.1.1. Protection

Lands zoned for protection are considered to have no sustained use potential for agriculture, forestry or settlement. The value of these lands derives from their functions in maintaining water quality, regulating water flows to downstream areas, as areas for hunting and extraction of products such as medicines, and as reserves or parks for research or recreation. The management and use of protection areas are treated in Section 4.

3.1.2. Forestry

Section 5 treats forest management. Forest exploitation is normally followed by low productivity agriculture and grazing with resultant land degradation. To curtail this process, a system of sustained yield forestry has been designed for implementation by small-scale farmers and communities. Maintenance of land in this zoning category will require a major program in extension forestry, public education, use of credit restrictions to prevent use of such funds for clearing forest lands, and establishing processing facilities sized to accommodate only the sustained production of the forest. A program to improve and intensify agriculture on appropriate lands is designed to take pressure off forest and protection lands (Section 6).

3.1.3. Agriculture

Sections 6 and 7 (annual crops, pasture and permanent crops) deal with agricultural development activities. The application of land capability zoning on agricultural lands will be accomplished through farm planning projects, extension education and credit restrictions.

3.2. Titling of Land - Agricultural Ownership and Forest Concessions

3.2.1. Land Distribution and Current Residents

The land parcels titled to or occupied by the current residents will be located, and by the same process, the unoccupied areas of the valley will be determined. The land capability system will be used to determine the economic viability of each parcel. Those residents whose parcels are judged adequate will receive title; those whose parcels are judged inadequate will have their parcels enlarged and titled; or receive priority for relocation to unoccupied parts of the valley. Those currently living within the boundaries of the proposed Yanachaga National Park will be relocated to unoccupied parts of the valley.

3.2.2. Agricultural Land

The land capability system will be used as the basis for establishing land titles in areas not yet in private or communal holdings. Each parcel distributed will include an appropriate proportion of land in one or more use classes to assure the opportunity to produce food and income for the support of a family.

3.2.3. Forest Concessions

The land capability classification will be used to locate areas appropriate for family and communal forest concessions in support of forest management activities developed in Section 5.



Amuesha Communal Fishing

PROJECT COMPONENT - AMUESHA NATIVE COMMUNITIES LAND BASE CONSOLIDATION AND MANAGEMENT PROGRAM

8.1. Background

The Amuesha are an indigenous group which has inhabited the central Selva of Peru for several millennia. They maintain a distinct language and culture from both the Andean and coastal peoples who have moved into that area during the past century. Today the 5,000 Amuesha are organized into 29 Native Communities (NNCC) which were legally established in 1974 by the Law of Native Communities and Agricultural Development of the Selva (D.L. 20653, changed in 1978 to D.L. 21175). Fourteen of these 29 NNCC are located in the Upper Palcazu drainage area. In 1976, the Amuesha population of this area was about 2,500; current estimates place the population at 3,000 (537 families) for an annual population growth of about 4.5%. Part of that high growth rate is due to immigration of Amuesha from the land-poor communities in the Villa Rica-Oxapampa area.

The Amuesha have been interacting with the market economy for over a century. In addition to subsistence agriculture, they are currently engaged in commercial agriculture (corn, rice, achiote, bananas), cattle raising (2,500 head of cattle), lumbering, and wage labor. They have been experimenting with communal and co-operative forms of production and marketing for 15 years. A valley-wide community organization, AGROYANESHA, is currently promoting agricultural development and training in the Palcazu NNCC and establishing a community marketing network. However, the great majority of Amuesha remain extremely poor. This is so because the conditions under which they participate in the market economy are extremely unfavorable, and because their resource base is inadequate. (See Miller and Martinez, 1981).

Projects aimed at this population must be specially designed with a maximum input from the communities in order to take into account their social and cultural situation. However, past experience has demonstrated that, for a variety of reasons, state services do not reach the NNCC. Because the Amuesha are the least powerful social group in the valley, it is imperative that some monitoring mechanism be established to guarantee that past experience is not repeated.

8.2. Objectives

- Safeguard against the negative effects on the native population of the Palcazu penetration road and spontaneous colonization.
- Guarantee to the NNCC an adequate land base which satisfies the needs of an expanding population.
- Improve the levels of nutrition and preventive health care delivery systems in the NNCC in order to reduce the effects of incoming diseases.
- Guarantee that the native population participate equitably with other local residents in the benefits which result from the Pichis Palcazu Special Project.
- Improve productivity on a sustained yield basis within the NNCC through the implementation of land use planning and management.
- Improve such conditions as productivity, access to markets, to capital inputs, and to credit, economic organization so as to allow the native population to participate in the market economy on a more competitive basis.

8.3. Project Sub-Component - Increase and Consolidate Land and Natural Resource Base of Palcazu NNCC

8.3.1. Background

The best estimates demonstrate that a minimum of ten unit equivalents of agricultural land are needed to support one family (1 hectare A Land = 3 hectares C Land = 5 hectares P Land). For production forestry, estimates range from 120 has. to 400 has. per family. Although over 28,000 has. have already been titled to the NNCC in the project area, only 20% of that area is appropriate for agriculture. Land and resources are not equitably distributed among the NNCC. The five NNCC on the valley floor have better quality lands with as much as ten unit equivalents per family of agricultural land and 77 has. per family of production forestry land. However, the nine NNCC in the mountainous headwaters are located on the poorest soils, with the highest rainfall and most deeply dissected terrain; here there is as little as two unit equivalents per family of agricultural land and 3.5 has. per family of production forest land. Of the nine NNCC studied in detail, six had more than 60% of their agricultural lands under cultivation; two have already passed that limit and are actively converting forest and protection land to pasture. Five of the fourteen NNCC have no land titles to the territories they occupy.

8.3.2. Objectives

- Guarantee a recommended minimum of ten unit equivalents/family of agricultural land (A,C,B) 70 has/family of production forest land (class F), and 50 has/family of protection land (class X), based on minimum area needed to support a family within the market economy. (See Smith 1981a). On this basis a total of 3,014 unit equivalents of agricultural land, 26,804 has. production forest land, and 7,239 has. protection land is required to provide the recommended minimum land/family ratio for the 537 Amuesha families (See Smith 1981a).
- Provide title to the five NNCC currently without them before the road construction advances.
- Consolidate the NNCC land holdings into a continuous territory by titling the small intervening areas, thus creating a unit which would promote economic integration, facilitate land use planning and management, and be more easily protected from invasion by new settlers.
- Encourage the resettlement of native families from areas with predominantly poor quality soils to areas on the valley floor with better quality soils, thus:
 - reducing the pressure on the proposed Yanachaga National Park;
 - increasing the likelihood of a successful economic development of the NNCC

8.3.3. Activities

Untitled Communities:

demarcate and title lands for the five untitled NNCC according to recommendations in the Smith Appendix. Where possible, boundaries should touch with boundaries of neighboring NNCC.

Titled Communities:

where lands are still available, demarcate and title new lands for the titled NNCC in areas contiguous to current land holdings to bring their total holdings up to the recommended level (See Smith 1981a).

New Concessions:

because of the limited availability of productive lands in the Upper Palcazu, grants of unsettled lands, titled under Art. D.L. 21175, should be established in the middle Palcazu to bring up the total land holdings to the recommended minimum. Amuesha from land-poor NNCC should be encouraged to resettle on these lands.

- demarcate an area of agricultural lands in the Codo del Pozuzu region (Class A, C, P)
- demarcate an area of production forest land in one of the main blocks of forest (Rio Chuchurras to Rio Lagarto; Rio Lagarto to Rio Mairo)
- demarcate areas in the lower Palcazu (Enock, Flor de un Dia) for both agriculture and forestry activities

8.4. Project Sub-Component - Land Use Planning and Management Program

8.4.1. Background

Because their land base will soon be fixed in size, the economic success and to a large degree, the cultural survival of the Amuesha ethnic group depends on the sustained yield productivity of their consolidated land base. This will require careful planning and management of the use of that land. The following recommendations are made:

- the community assemblies, the recognized authorities, and the existing organization AGROYANESHA must participate fully in the planning and implementation of their own plan;
- for such a program to be successful in any NC, the Amuesha public must be convinced through education and promotion that they will benefit from the program;
- the program should be implemented by a team of Amuesha trained and aided by personnel of the Special Project;
- in order to avoid the common pattern of government paternalism, and to encourage the Amuesha to assume an active role in this program, a contractual agreement should be established between USAID, PEPP, Ministry of Agriculture, and AGROYANESHA stating the rights and obligations of each part;
- the program should be aimed in the following directions:
 - to improve yields of subsistence agriculture;
 - to improve management of wildlife and fisheries;
 - to promote small animal production;
 - to encourage shift to permanent cover and tree crops;
 - to intensify cattle production;
 - to manage the community forest lands for domestic needs, for sustained yield commercial lumbering, and for the collection of natural rubber, gums and fruits.

8.4.2. Objectives

- increase the capacity for long-term sustained yield production on NNCC lands;
- improve the levels of nutrition;
- raise the cash income of the native population;
- generate employment opportunities within the NNCC.

8.4.3. Activities

1) Research and Design

- establish an office with the local Special Project Office for coordinating activities planned for the NNCC. 1 anthropologist and 1 economist
- establish a sub-program within the framework of a valley-wide program for research and design of land use and management. 1 anthropologist, 1 economist, 1 agronomist, 1 cattle specialist, 1 forestry management specialist, 1 soils specialist
- demarcate lands within NNCC according to land use capability

2) Education and Promotion

- establish and implement educational and promotional programs for NNCC

3) Agricultural Research and Extension

- establish sub-program for NNCC within the framework of valley-wide research and extension program. 1 tropical crops specialist, 1 small animal production specialist, 1 cattle specialist
- establish a small training and demonstration center for the NNCC with the following objectives:
 - . to train Amuesha extensionists
 - . to experiment with permanent and tree crops
 - . to test intensive cattle raising methods
 - . to experiment with appropriate technology
 - . to coordinate extension services for NNCC
- recommended site: NC 7 de Junio
- budget items:
 - . classroom building (2 classrooms, 1 office)
 - . sleeping and eating facilities (25 persons)
 - . basic research and demonstration infrastructure
 - . training programs and materials

4) Industrialization and Agricultural Production

- research and planning for the installation of processing facilities (achiote, oil palm, fruit, yuca, coconut, etc.)
- promotion and implementation

- 5) Forestry Research and Extension
- establish sub-programs for the NNCC within the framework of a valley-wide forestry research and extension program. 1 silviculturalist, 1 expert in forest management, 1 expert in forest harvesting
 - establish a small training and demonstration center for the NNCC with the following objectives:
 - . to train Amuesha forestry technicians
 - . to provide center for coordinating and implementing the forestry management techniques
 - . to experiment with appropriate technology
 - recommended site: new area of production forest land (see section 3.3.)
 - budget items:
 - . classroom building (2 classrooms, 1 office)
 - . sleeping and eating facilities (25 persons)
 - . basic research and demonstration infrastructure
 - . training programs and materials
- 6) Industrialization of Forest Production
- research, design, and installation of community-owned lumber mills and related wood product mills (broom-handles, soda cases, furniture, etc.)
 - recommended site: at forestry training and demonstration site
 - training of native personnel for operation and administration of lumber and wood products mills
- 7) Management of Natural Rubber Stands
- provide technical support to begin managed exploitation of community-owned natural rubber stands
- 8) Credit/Financial Assistance
- provide financial assistance to individual producers and to community enterprises for the following activities:
 - . intensification of cattle production
 - . shift to permanent cover and/or tree crops
 - . initiate rubber management and production
 - . encourage natural forest management programs
 - . purchase and installation of agricultural processing facilities
 - . purchase and installation of lumber and associated mills
- 9) Technical Training
- provide fellowship funds for technical and professional training of Amuesha outside project area in the following fields: agronomy, pasture and herd management; forest management; silviculture; business administration; marketing

10) Marketing

- collaborate with AGROYANESHA through research and design in the establishment of a Community Marketing Service for agricultural and forestry produce. 1 economist, 1 anthropologist, 1 agronomist, 1 forester

8.5. Project Sub-Component - Health Care System

8.5.1. Background

Health care delivery systems in the NNCC are very poorly developed. Health promoters are poorly trained, have no effective back-up system, and work in very inadequate conditions. The spontaneous colonization of the valley poses a real threat to the native populations through the introduction of new epidemic diseases.

8.5.2. Activities

- broad immunization program for all local residents and for new settlers
- provide further training to the local health promoters with emphasis on preventive medicine
- train women nurses and midwives to assist in prenatal care, obstetric and gynecological services, now absent in the valley
- financial assistance for infrastructural improvement of the community and other local health posts; creation of new posts
- financial assistance for the construction and staffing of the central health facility at Iscozacin

8.6. Project Sub-Component - Evaluation of Program Advances

In order to monitor program advances and problems, financial support should be provided for a periodic evaluation by specialists in the appropriate fields who are not associated directly with the project execution.

PALCAZU SOCIAL ANALYSIS*

1. INTRODUCTION

A study of the social soundness of the Central Selva Resources Management project was done in February 1981, prior to the preparation of the Project and Paper (Miller and Martinez, 1981). Further analysis of the human ecology of the Palcazu drainage basin was undertaken as part of the environmental assessment and project development work carried out between July and October 1981 (Smith 1981a). These studies have identified three different human groups already in the valley:

- 1) the native Amuesha Indians
- 2) the descendants of German, Swiss and Austrian colonists who arrived in Peru 50 to 100 years ago
- 3) mestizo settlers from the coast, the highlands of Huancayo, Pasco and Junin, and from the lower jungle of Loreto who have filtered into the Project area during the past 30 years

As is generally true of rural Peru, there is no systematic collection or storage of data about the population of the area, their economic activities, income, origins, social networks, and land base. Partial censuses together with the best estimates put the current population of the Valley at 10,000 to 15,000, of which 3,000 are Native Amuesha. The majority of the population combine subsistence agriculture with small-scale cattle raising. There is a small group, mainly those of European descent, who combine cattle ranching on a middle to large scale with commercial activities.

The Amuesha land is held under Community land title. The colonists have either individually titled parcels or demonstrate individual possession of the land simply by "squatting" on it.

2. MAJOR SOCIAL PROBLEMS OF THE AREA

Miller and Martinez have identified the following major social problems of the area:

1. There exists an extremely exploitable and hierarchical social structure in the area which allows most benefits to accrue only to local and outside elites.
2. The native communities and the small colonist farmers are ignorant of and relatively powerless in enforcing their existing rights.
3. The valley lacks alternatives in marketing its production resulting in monopoly benefits accruing to a few, as well as raising costs of production beyond viability.
4. Land distribution in the valley is neither equitable nor secure giving rise to competition and conflict over this resource.
5. Educational and especially health care systems are very inadequate both in terms of human resources and infrastructure.

* Richard Chase Smith; CENTRAL SELVA RESOURCES MANAGEMENT, Vol.I, Annex B; JRB Associates, Lima, Peru. October 1981.

The more recent social studies have further identified the following social problems:

1. There is a general labor problem in the valley, which ranges from scarcity of labor, complaints of abuses, low wages, and the use of the debt-peonage system and the importation of Campa laborers from the Pichis Valley.
2. Much of the native population is located in the areas of poorer soils, higher rainfall, and steepest gradients. As communications are improved through the area, generating a greater need for cash income, pressure is put on the land to produce beyond its capacity. This has initiated a process of pauperization of the population and severe degradation of the land base.

The Miller and Martinez report concluded that the project may be socially feasible and beneficial to the target groups only if appropriate measures are taken to protect the relatively fragile ecological systems of the area and to institute special activities for aiding and developing the native communities.

3. BENEFITS AND CONSTRAINTS OF ALTERNATIVE SCENARIOS

It is important to look at the benefits and constraints of different alternative approaches. These alternatives are considered:

1. A road is constructed from Pichanaz to Puerto Mairo; there is no natural resources management project;
2. There is the project as proposed:

Variant a--the road proceeds as planned

Variant b--the road is constructed from the northern end of the valley

3.1. Alternative No. 1

From the viewpoint of social feasibility, this alternative is the least acceptable. Because of the public attention focused on this area as a potential breadbasket which can absorb thousands of colonists, there is already tremendous pressure from lumber companies, colonization cooperatives, cattle ranching enterprises, and small farmers to move into the area. Should the road proceed with no program for control of the settlement process, or management and protection of the limited resources, the following consequences can be expected:

- competition and conflict between the new arrivals for available lands
- invasions of the NNCC, and subsequent conflicts
- lowered productivity and greater poverty due to increased population pressure and deteriorated lands
- severe health problems of an epidemic nature

The following are the expected consequences of spontaneous lumbering activities in the absence of the project:

- competition and conflict between established residents, new colonists, and lumber companies for the timber resources
- as the more powerful lumber companies are likely to win the competition benefits from the timber resources will accrue largely to groups outside the area

There is some doubt that the GOP will have either the resources or the will to control the spontaneous colonizations and lumbering of the area if project funds are not forthcoming.

3.2. Alternative No. 2

The proposed project is based on two premises, supported by the findings of the Environmental Assessment Team. They are:

1. The ecology of the Palcazu Valley is especially fragile and requires careful protection and management to ensure a satisfactory future productivity
2. Because the valley's soils are generally poor, and because there is an existing population of 10,000 to 15,000, its carrying capacity is already saturated, precluding the desirability of any further colonization

Therefore the proposed project, in spite of a penetration road, would ameliorate many of the constraints of Alternative No. 1 by:

- securing the current residents' possession of land
- planning land use in strict accordance with capability in such a way as to increase the potential for sustained yield production, thereby increasing the economic security and well-being of the present population
- providing an economically viable land base for existing settlers rather than colonizing currently unsettled lands
- allocating and managing natural forest resources in such a way as to give maximum long-term benefits to the local population
- increasing the capacity of the local population to absorb appropriate technology, management techniques, new productive systems, and larger capital investments
- providing some special assistance to the NNCC

A comparison of the social constraints and benefits of Variant A (road from south) and Variant B (road from north) shows that Variant B offers significantly greater chance for the successful implementation of the project. Under Variant A, there is the continued high probability that spontaneous colonization and lumbering will occur given the low rate of success of controlling this process in the past (See Bunin Annex). Given the fact that the Variant A road passes through or very near 5 NNCC (3 of which are as yet untitled) in the initial 18 km section, it will be these 5 NNCC who will be most seriously affected by conflicts over land and timber resources. The construction of this branch road before the implementation of the proposed project or virtually before any protective measures or controlling factors are in place in the valley, reduces significantly the chances for consolidating the lands of the NNCC and the small colonists of the Upper Palcazu, and of implementing land use planning and management techniques with these populations. The only foreseeable benefits of this variant will be to offer a shorter access route, sooner, to the current residents of the Upper Palcazu.

Variant B, on the other hand, has several advantages:

- by entering the valley from the end away from the direct access routes to the highlands and coast, it reduces the probabilities of any significant spontaneous colonization and lumbering;

- for the same reason, it affords a "breathing spell" to begin the implementation of the Watershed Protection Program and to finish the land cadaster and titling project;
- reduces the pressure on the NNCC in the Upper Palcazu Valley, while giving them time to implement land use planning and better management practices.

The obvious disadvantage to this variant is that it will increase the route length, and therefore the transport costs for the Upper Valley residents in comparison to Variant A. However, in comparison to current freight costs by airplane, even Variant B should be significantly lower.

4. SPECIAL PROBLEMS

A number of issues have been identified which will become important in the implementation of the proposed project:

1. The Project can be successful only to the degree that the local residents understand its meaning for them, participate in the planning, and accept it as their own during the implementation. To date, the dialogue between project personnel and local residents has been minimal at best.
2. The dispersed settlement pattern of the colonists and the lack of social networks which link them together (with the exception of some European descendants), presents problems for implementing both extension and management programs. It may be advantageous to initiate work by organizing local cattlemen's clubs, or loggers luncheon associations, swine centers, associations which can provide the structures through which management, appropriate technology and education can be transmitted.
3. The capacity of most local residents to receive and effectively utilize large amounts of new technology, credit and information is limited. Short-term successes are not to be expected.
4. Racial and cultural bias are factors which influence the outcome of many regional development projects in multi-racial and multi-ethnic societies. Such bias is deeply rooted in the project area. Evaluations should be aware of this problem when examining the allocation of project resources, the establishment of local project priorities, etc. The inclusion of a specific project aimed at the NNCC represents an attempt to correct for that situation.

The proposed project does not deal directly with either the problem of exploitable and hierarchical social structure, or (except to a small degree in the NNCC) with the monopolistic marketing practices. It can be expected that these structures will continue and that benefits generated by the project will continue to accrue to local and outside elites. For the maximum benefits of the Project to reach the small farmer and the NNCC, these social constraints must be addressed in the course of implementing the project. The related problem of labor needs to be studied more closely before recommendations can be made.

CHAPTER VI

PERU'S CONQUEST OF THE AMAZON: SOME CONCLUDING THOUGHTS

Part I. Indian/State Relations and the Pichis Palcazu Special Project

The Pichis Palcazu Special Project and the surrounding public debate raised a wide range of important issues, ones which bear on the future of the earth's greatest expanse of tropical forest, the Amazon Basin, and on the inhabitants of that forest, indigenous or not. These issues must be disentangled from the ideological, political, and economic interests which have obfuscated them since the current thrust into the Amazon began some 25 years ago. Once disentangled, these issues must be spelled out and met squarely if the Amazon region is to be spared the ecological and social disasters which the modern world industrial system has perpetrated on other areas of the globe.

Clear issues met squarely will not alone change the course of events in the region, nor restructure development efforts there, nor resurrect the dozens of tribal societies or the millions of hectares of forest land which have already been destroyed. Changes will only come about when some unforeseen economic, political, or ecological disaster forces industrial societies to restructure themselves as a matter of survival, or as a result of the political struggles of those adversely affected by the current world economic and political order, including the relationship which it maintains with the natural world. Hopefully this document clarifies some of these issues and can serve those engaged in such struggles.

In the debate over the Pichis Palcazu Special Project, a key issue was the capacity of the region's ecological base to sustain the kind of development envisaged by the government. This issue prompted USAID to engage in a four month, US\$300,000, evaluation of the Palcazu watershed area. That evaluation addressed a wide range of questions:

- Is the region ecologically appropriate for agribusiness--large scale cattle operations, sugar and rice plantations--or widespread logging activities?
- Will these activities seriously degrade the soil through massive deforestation, or inappropriate cropping systems and production techniques?
- Will the plant and animal communities be seriously affected by indiscriminate land clearing and burning?
- What is the danger of losing species or entire ecosystems through project activities
- Given the local ecology, what types of economic activities and what population level can be sustained?

The relation between ecological issues and human issues cannot be over emphasized. It is the sympathy of the indigenous population to its natural environment which has permitted it to occupy the region for several millenia without seriously threatening the resource base. It is the antipathy of the non-Indian colonists, ranchers, and corporate interests to the natural environment which threatens to destroy the local ecology. Given this basic antipathy and the constraints of the tropical forest environment, one must ask if modern economic activity can be sus-



Amuesha Family



Celebration After Amuesha Congress Meeting



Preparation for Girl's Puberty Ceremony

tained on a long term basis in the Pichis-Palcazu region. Will the long term cost of environmental degradation be larger than the short term economic and political gains? Project promoters often fail to address these questions.

It is fruitless to separate economic, political, and social issues from one another. They are inextricably tied to one another as aspects of the broader human issue. While conceptualizing, planning, and implementing a project such as this one, decisions must be made about who is to be affected by the project, who will pay the cost of the project, and who will benefit from the project. Contrary to what project promoters claim, it is usually the economically poor and the politically weak who pay the cost of development projects - either through low wages or high inflation - and the wealthy and politically powerful who benefit by monopolizing the credits, the markets, the infrastructural improvements, and relations with the state apparatus. Economic and social issues, therefore, have their political sides. And decisions made are political.

Both the Peruvian and the U.S. governments have more overt political interests in this project. The Belaunde regime hopes to win popular support by promising to solve problems of unemployment, landlessness, and poverty through the colonization of the Amazon. The U.S. government wants to support the Pichis-Palcazu project as a demonstration of support for a friendly new government after twelve years of cold relations with the previous regime. These overt political motives are wedded to economic objectives. In this case, the Peruvian government seeks to expand the opportunities for private agribusiness and lumber operations in the Central Jungle, and the U.S. government wants to protect and expand private U.S. mineral and energy interests throughout Peru.

This Occasional Paper focused on one of the principal human issues of the Pichis-Palcazu Special Project: the right of indigenous peoples to their land, their community, and their way of life. Because Indian/state relations emerged as a point of conflict within the project, one might expect the dialectics of domination to be at play. Indeed they are. The very nature of the project, as defined by the state, is colonialist. The state premised the project on the claim that the Amazon region is a vast emptiness which must be incorporated into the nation state through conquest and modern development. By doing so, the state negates the very existence of the region's indigenous inhabitants, their historical claim to the region, and their right to pursue different forms of development - all basic characteristics of colonial domination.

One could point to instances of racial and cultural discrimination on the part of the state when the Amuesha are described as "primitive nomads" who need to be civilized; or as lazy idlers who neither produce nor consume sufficient market commodities to justify their land claims. One could point to the collusion between project bureaucrats and the local ranchers to force the Amuesha and Campa off their lands and into the dwindling labor pool.

The list is long. But two aspects of the project provide insight into the underlying structures of domination and therefore deserve close scrutiny. One is the dominant role of the metropoli in conceptualizing, planning, implementing, and benefitting from rural development projects. The second is the state's policies of dismantling Indian communities and individualizing the property structure of Indian land.

A. The Role of the Metropolis in Rural Development

It is not clear when, where or by whom the decisions were made to initiate the current Amazonian Conquest in the Pichis Palcazu region. The fact that it was announced amidst great fanfare only ten days after Belaunde's inauguration and received detailed funding commitments by USAID a month later indicates that "discussions" had taken place and decisions were made well before the change in government. What is clear is that the decisions were made in Lima by politicians, bureaucrats, and probably some interested private investors. The announcement of the project came as a complete surprise to the residents of the Pichis and Palcazu Valleys.

Amazonian development has been promoted by Belaunde and his political party since the 1950's. However, the underlying concepts and goals of the Amazonian program, specifically the Pichis-Palcazu Special Project, reproduce standard models of development which have emanated from the centers of world industrial capitalism over the past century and a half. This model of development, as promoted by contemporary nation states, is capitalist, industrial, and rests on western cultural values. It is sustained by the ideology of economic progress (Meier and Baldwin 1964).

Adam Smith was one of the earliest to espouse economic progress as the rationale for capital accumulation, the basis of European economic development. He asserted that capital accumulation is made possible by the fact that all human beings naturally seek material improvement (Adam Smith 1976).

Much of modern development theory asserts that peoples who do not seek material improvement by producing for the market or by consuming from the market are backward and underdeveloped. Furthermore, local technologies which do not have a "scientific" basis or do not rely on industrialized inputs are scorned as primitive and of little use in the development process. This line of reasoning reflects and reinforces a traditional urban bias against rural peoples; it asserts that these backward, rural, and in the Peruvian case, indigenous peoples are basically ignorant and have nothing to offer development but their labor (Meier and Baldwin 1964).

This rationale justifies the domination of the metropolitan centers over the rural areas in the development process. Since World War II, it has become increasingly accepted that the conditions diagnosed as backwardness and underdevelopment can best be remedied with capital-intensive projects imposed on the rural areas by the urban planners and politicians. Large state and international bureaucracies, private consulting firms, and university departments have been established in the metropolitan areas to promote, plan, implement, and administer development projects on behalf of rural people.

This was true also for the Pichis Palcazu Special Project. The loan agreement between USAID and the Peruvian government called for the establishment of a Special Office under the Prime Minister to plan, implement, and administer the project. The project budget for the first six months of 1981 demonstrates that (discounting the road construction which in itself accounts for 2/3 of the entire budget), nine of the eleven categories of expenditures representing 65% of the budget, are for studies or for consolidating the project bureaucracy (Proyecto Especial Pichis Palcazu/PEPP/1981f). Of the amount spent by August, 1981, 62% went for studies and bureaucratic activities, almost 60% of this was used to maintain the central head-

quarters in Lima (PEPP 1981f). Despite the high percentage of the budget devoted to bureaucratic activity, by August, 1981, the Special Office had no overall program for development of the Pichis-Palcazu region.

For the Palcazu valley there was an unwritten understanding that USAID was to plan as well as finance the Palcazu project. Yet even the development bureaucracy of USAID was not capable of producing a coherent development program for the Palcazu region. With little coordination with their Peruvian counterparts, USAID contracted through a private Washington consulting firm, 13 "experts", specialists on different aspects of tropical forest environment and economic development, to assess the Palcazu region and produce a development program. Working within the time limits imposed by USAID, members of this team spent one to three months in Peru. With few exceptions, individual members spent less than ten days in the project area, gathering information and talking with local people.

This team presented its findings and recommendations to USAID on October 15, 1981 (JRB Associates 1981). The staff of the Peruvian Special Project Office did not participate in the evaluation, though the team of "experts" kept them informed. The peoples of the Palcazu valley had virtually no contact with this process and were given no role in planning their own development.

But the Peruvian state was not a totally passive participant. The state has its own interests in perpetuating a particular kind of development. The stated general objectives of the Pichis-Palcazu Special Project were:

1. incorporate new resources into the national economy;
2. interconnect the Central Selva Region internally and link it with the rest of the country;
3. promote the rational settlement of the National Territory, channeling the migratory movements of the population;
4. contribute to raising the levels of employment and income of the population (PEPP 1981d).

Clearly, the Peruvian government's fundamental objective for this project is the simultaneous expansion of the state's effective control over the national territory and the expansion of the raw material supply network and the market economy into "untapped" areas. Political and economic interests are essential compliments as the center increases its domination over its frontier areas by incorporating them into its political and economic sphere.

This underlying objective is closely linked to the ideology of economic progress and the imperatives of capital accumulation in the dominant centers. This is manifested in the kinds of projects imposed on rural areas: the improvement of communications between the dominant center and the rural area, and the substitution of local self-sufficient economies with national and international market-dependent economies.

The improvement of communications is usually attempted through expensive infrastructural projects such as the construction of highways, port facilities,

airports, and the installation of microwave and satellite relay facilities for the transmission of television, telephone, and other communications services. To date, the Special Project has earmarked 65% of its budget for the construction of highways linking these valleys to the capital city. Because these highways are not designed to enhance local economies and communities, but rather to extract new resources for consumption in the metropoli and to penetrate the local economies with consumer goods from the metropoli, they are quite aptly hailed by project promoters as "penetration" routes.

Many critics have argued that these types of capital intensive projects do not benefit rural peoples. They benefit those who manufacture and supply road building equipment, transmission equipment, trucks, boats, and television and telephone equipment. They also benefit those who control national markets and have access to large quantities of capital for investing in the extraction and industrialization of natural resources, in the transport industry, and in commerce. They benefit members of the metropolitan and capitalist and industrial class, not rural peoples. The profits which result from "penetrating" a frontier area are ultimately accumulated in the dominant metropoli, not in the penetrated area (Lappe and Collins 1979; Foweraker 1982; Velho 1973).

The deep-seated bias against local self-sufficient agricultural economies is readily apparent in conversations with members of development bureaucracies. Such economies are, by definition, backward and in need of development. Rural peoples themselves, especially those penetrated by direct communications links with the metropoli, lose confidence in their own economic capacity and readily trade their largely self-sufficient life styles for economic and cultural dependence on the market.

This orientation is apparent in the Pichis-Palcazu Project from the specific projects envisaged by USAID and the Peruvian government. Emphasis has been placed on market-oriented agricultural crops to the exclusion of indigenous varieties of food crops used for local consumption. State promotion of such commercial crops as rice, sugar, oil palm, and beef cattle is designed to forestall the envisaged food storages in the capital city. Emphasis is also placed on the latest varieties of the desired crop and on the relatively capital intensive technologies needed to produce them (PEFP 1981a).

The result is greater economic dependence on the Lima market for both selling products and for attaining capital inputs. The marketing of some crops such as sugar, cotton, and achiote, and the supply of some inputs such as fertilizers and pesticides, depend on conditions in the international market over which the metropolitan elites of Peru, let alone the rural peoples of the Palcazu valley, have no control.

Another alternative promoted by the government for reinforcing the cash economy in the Palcazu is the extraction and industrialization of timber. This is seen by project promoters as the only viable economic justification for the project. While the outside experts argued for small scale family run timber operations as a way of reducing the environmental effects of massive deforestation, and of spreading the profits, the Peruvian government and some officials of USAID used the economy of scale argument to justify granting large timber concessions to Lima-based corporations. (Dickenson et al 1981; McCaffrey 1981a; Tosi 1981; PEPP 1981a, 1981e, 1981g).

When pushed on this matter, the project promoters concede that not everyone in the project area can participate as an entrepreneur, producing and marketing his own product. Some will have to be wage laborers on the cattle ranches, on the plantations, and in the lumber industry. Thus, between commercial agriculture, timber extraction, and wage labor, no self-sufficient Indian communities will remain untouched.

The Pichis-Palcazu Special Project, like other rural development projects, was promoted and planned by people of the metropoli, using metropolitan concepts of development and material progress. It will be implemented - literally imposed on the Amuesha, Campa, Andean and mestizo colonists - by bureaucrats and technicians from the metropolitan areas. The project is designed primarily to benefit the metropolitan political and economic interests by consolidating control of peripheral areas and by exploiting the natural and human resources of those areas. In this process, the rural indigenous peoples will be pushed further into poverty and powerlessness. The underlying structures of domination will be reinforced.

B. The Role of the State in Dismantling Indigenous Communities

On February 23, 1981, a delegation of Amuesha and Campa from the Pichis-Palcazu region visited the Minister of Agriculture in Lima to present a written statement of their position regarding the Special Project (see Appendix D). The Minister initiated the conversation by stating that the Indian community structure was a kind of impenetrable enclosure imposed on the Indians by the Spanish and other foreigners. It acts as a barrier, he told them, which keeps out the benefits of the market economy. He assured the group that the current government would support individual land titles for those who prefer them as a means of breaking free of the oppressive community structure. The implications are clear: from the Minister's point of view, the community structure and the community land tenure pattern are responsible for Indian poverty and powerlessness.

The Minister's position comes as no surprise to the student of Indian/non-Indian relations in Peru. Land and community have been the central issues of indigenous resistance to colonial domination since the European invasion of the Americas. Today they are the central issues of the Indian struggle to regain a political voice. Land and community are the essential ingredients - the sine qua non - for the continued existence of Indian societies in the Americas. Their elimination would bring to a close the long history of indigenous civilizations in the Americas, a history as rich and as important as those of any other civilizations on this earth.

This raises two fundamental problems for Peru's Indian peoples. The first is that of unresolved colonialism. "Indian" is itself a colonial construct, created by the invading Europeans to distinguish themselves from the dominated native inhabitants of the new world. That colonialism is alive in Indian America today is demonstrated by the continued vigor of the Indian/non-Indian dialectic.

The second problem is the very nature of the modern nation state, after which all American republics are, to one extent or another, modeled. These states were created by the non-Indian dominant elites over 150 years ago and continue to play a major role in Indian/non-Indian relations. The origins of classical liberal ideology played a significant role in the formation of industrial capitalism and the modern nation state. Early attempts by San Martin and Bolivar to enact liberal principles as the basis of the newly independent South American republics initiated and legalized a century-long process of dismantling indigenous communities and of alienating indigenous lands.

Today it is evident that Bolivar's project for creating modern nation states based on liberal principles only partially became a reality. Some of those principles were universally incorporated into the ideology of the dominant criollo culture and implemented through the state. Among these are:

1. the primacy of individual private property over other forms of property;
2. the primacy of individual self-interest as the rationale for the economy;
3. the role of the state in maintaining order and in defining first two points.

However, many aspects of liberal ideology came into conflict with the concrete interests and privileges of different sectors of the criollo class and were instituted only selectively, or not at all.¹

Today, as in Adam Smith's day, these liberal principles are closely linked to the imperatives of capital accumulation and economic development in South America. They also underlie, as they did in Bolivar's day, the policies aimed at disaggregating Indian societies and communities and assimilating the individual Indian into the culture and economy of the dominant non-Indian society and nation state.

A review of the Peruvian constitutions since 1920 demonstrates that the formal recognition of Indigenous Communities and Native Communities and their lands never represented an attempt to legalize the situation of de facto pluralism in Peru. In fact, despite the legal protection afforded by the constitutions since 1920, the state apparatus is continually used to negate Indian peoples' existence as culturally and historically distinct communities having a common territorial claim. Capital accumulation, modern economic development, and the destruction of indigenous communities are inextricably linked by a common moral and ideological underpinning.

Bolivar's faith in the principles of Liberalism have their echo in the words of the Minister of Agriculture to the Amuesha and Campa delegation. Underlying both is the dual notion that: 1. a modern state must put an end to relations of internal domination through the universal incorporation of all individuals as citizens into the economy and political life of the state; and 2. a responsible citizenry is contingent upon the private ownership of land and other property (Kaplan 1969; Vasconi 1969; Worsley 1982). From this point of view, the community, or any other form of social and economic organization which does not conform to the exigencies of the modern state, is regarded as economically archaic and politically subversive. Such forms of organization impede the individual from pursuing his self-interest, and impede the state from consolidating itself.

The Pichis-Palcazu Special Project is grounded in this reasoning. When the project directors were confronted with the USAID-sponsored report on the Amuesha land base (Chapter V) which concluded that the Palcazu communities were suffering an acute land shortage, with most arable land already under cultivation, their reaction was

1. The Latin American state has challenged many of these principles as it has increased its power and assumed a more hegemonic and authoritarian role in political and economic life. For a discussion of the modern Latin American state, see Cardoso and Faletto 1977; Foweraker 1982; and O'Donnell 1979. For a discussion of the role of the state in Indian/non-Indian relations see Arvelo Jimenez 1982; Smith 1982; and Varese 1979.

disbelief. They repeated the government position that the Palcazu Amuesha had more than enough land for their needs.

Later, the project director informed a USAID member that the Peruvian government was open to the question of more land for the Amuesha and the Campa. However, that opening was limited by two conditions. The government would consider the land needs for the current population only; it would not take future population growth into account. And, the government would not recognize any new Native Communities nor expand any existing ones, despite legislation and a Constitution which requires the state to do so. The project director affirmed the government's policy to give individual family parcels to the current "excess population" of the communities.

He justified this position by arguing that the anthropologists are wrong to claim that Amazonian Indians have some form of community basis. Each family lives on its own and produces for itself from its own garden; he argued that they are "free enterprise" Indians.

On March 20, 1982, an article appeared in Lima's *El Comercio* in which a project official claimed that the Special Project was going to cure some old evils of the social and agricultural structure in the project area. "During our study of the region, we always wondered why, if the natives have always been nomads, they now can be settled on an established land base. Are they really accustomed to living in community? Or would a policy which gives an individual parcel of land to each family be the best alternative?"

The government strategy is unmistakable. While it is not likely to challenge the Constitution by directly eliminating Native Communities in the Pichis-Palcazu area, it hopes to weaken the community organizations by luring away individual community members, who are already suffering the effects of the land shortage, with the promise of their own private parcel of land. In all likelihood, credit and technical assistance will flow to those with private parcels while the communities will be ignored. It is a common pattern in Indian/state relations. It will likely be repeated on all the other fronts of the current Amazonian Conquest.

This policy regarding Native Communities, the Pichis-Palcazu Special Project being but one example, demonstrated that the dominant non-Indian elites of Peru continue to use Liberal principles and the state apparatus to negate Indian peoples' existence as culturally and historically distinct communities having a common land base. Individual private property and free enterprise based on individual self-interest constitute the moral and material basis for the continued conquest and colonization of Indian peoples.

What is remarkable is the strength of Indian resistance to assimilation into the dominant society. Indian communities, after five hundred years of domination, continue to assert themselves as historically different cultural formations with a right to a future of their own.² The endurance to resist such pressure towards individualization and assimilation resides in the community basis of social organization and in access to sufficient land to maintain a distinctive mode of production.

2. The history of Indian/non-Indian relations is peppered with Indian uprisings, protests, rebellions and flights. Recently indigenous political and cultural organizations have been rising up throughout Latin America in an attempt to promote the indigenous cause and to recover a political voice for Indian people. See especially Bonfil 1981a, *Indianidad* 1979.

During a conversation on the future prospects for Indian societies in Peru, a young Amuesha commented: "We will always be stronger than the non-Indians, because we are we." He appeared frustrated, and said to me that it was impossible to express his idea in 'white man's' language. He then repeated it in his own language: "Ya yanesha".³ These are very powerful and profound words which have lost their meaning to "modern man", the citizen of the modern industrial nation state. The Amuesha strength to resist, like that of all Indian peoples, comes from a profound sense of WE, with its roots in reciprocal kin based social relations - the community, in spiritual and material ties to a common land base, and in a common history. It is precisely that which modern nation states, rooted in the ideology of individualism, find intolerable. It is precisely that for which Indian peoples continue to struggle.

Part II Autonomous Development: An Alternative for Indigenous Communities

The promoters of modern economic development projects often accuse those who criticize them on behalf of indigenous peoples of wanting to create living museums, of wanting to fence in the tribal territory and keep out the non-Indians and their influences. This approach, say the promoters, would deny the indigenous populations their right to enjoy the benefits from programs of national development. Indeed, the "museum approach" does have its advocates, though usually limited to cases of isolated populations who face imminent demise from disease.

But to couch the alternatives in these terms completely obfuscates the real issue. It need not be a question of choosing between an alternative in which the indigenous group becomes part of the modern world and participates in national development; and another in which the indigenous group remains isolated from the modern world and lives in a state of pure "primitivism". All human societies, in the course of their historical development, have contact with other peoples, and may "develop" in some new way as a result. The questions we must address then, are in what kind of development process will they engage, and who will control that process?

Modern economic development as promoted by the industrialized nation states in conjunction with the interests of private capital from the metropoli does not benefit indigenous peoples. By reinforcing the structures which dominate them, current models of development are destructive to indigenous societies in the following ways:

1. indigenous peoples are alienated from the decision-making process which determines the development policies directly affecting their lives;
2. development programs exploit indigenous peoples' resources for the benefit of the metropoli;
3. indigenous societies are weakened economically through programs which undermine local, self-sufficient economies; and
4. development programs are based on an ideology of individual self-interest and private accumulation which erodes the integrative social and cultural mechanisms underlying indigenous identity and unity.

3. Translated literally, this means 'we, the we collectively'. Yanesha' is one of three terms the Amuesha use to refer to themselves. It implies a common language and culture. A second term, Yamo'tsesha' means 'we collectively related through reciprocal social relations'. While this term is more flexible, it is only rarely used for people outside the group marked by the term yanesha'. The third term, acheñ, has a racial connotation and refers to those inhabitants of the earth who can be

A common response to this situation is a shrug of the shoulders and a sigh--there is no other alternative--as if history alone were in control of human destiny. During the past fifteen years I have worked directly with the Amuesha communities to explore new and different paths of development (Congreso Amuesha 1980, 1981a, 1981b; Smith 1976, 1977, 1980). Others have been conducting a similar search (Indianidad 1979; Bonfil 1981c). As a result of this collaborative effort, the outlines for a program for the autonomous development of indigenous communities have emerged. As a positive response to such programs as the Pichis Palcazu Special Project, I will spell out some of the guidelines for such a program in the remainder of this document.

Autonomous development, as a concept, seems most appropriate for functioning indigenous communities in Latin America which maintain relative economic independence and cultural coherency. It has been tooled for those who have not been entirely absorbed by metropoli. Yet, autonomous development need not be limited to them: the principles of autonomous development are applicable to all peoples subject to domination by others, who wish to rediscover "community" and regain control over their future.

However, there can be no doubt that indigenous communities with a solid sense of WE and their own cultural vision will have an easier time developing such programs. These communities still have the cultural resources to create or recreate alternatives for their own development. Autonomous development establishes the conditions under which this indigenous creativity can exist and flourish.

The minimum conditions and guidelines for autonomous development can be outlined as a response to four fundamental questions.

QUESTION 1: Is the indigenous community in control of the conceptualization, the planning, and the implementation of their development?

Autonomous development means that indigenous communities regain control over the course which their communities and their cultures take. A program of this nature begins with the community's vision of the future it wants to build, the values it wants to promote, and of the history it wants to make. It is not development for the Indian communities; it is development by the Indian communities. It is the difference between having control and not having control over one's life, between a relationship based on paternalism and one based on equality and respect.

Autonomous development begins with the principle of self-determination. The community decides what direction its development will take. These decisions are made by local peoples in their assemblies or in whatever form they choose to discover and express the consensus of the community. Local and ethnic forms of organization, whether for the promotion of political, economic, or cultural ends, play an extremely important role in the decision-making process and in the implementation of development programs. Therefore, they must be encouraged as part of a foundation for autonomous development. Coercion by the state, or by religious missions, political parties, economic or academic interests restrict the community's decision-making process and

considered human beings. It is quite freely extended to include other Indian peoples. However, while most Amuesha will now concede that non-Indians are also human beings, this term is most often used in contrast to ocanesha' the collectivity of non-Indians especially white Europeans.

produce divisions within the community. Coercion cannot be tolerated in the development process.

Self-determination requires a much larger degree of local ethnic autonomy than is presently the case anywhere in the Americas with the possible exception of the Kuna of Panama. An essential precondition for a program of autonomous development is the reorganization of the current structure of power - the nation state - in such a way that indigenous communities form territorial and administrative sub-units with a large degree of autonomy with regard to internal development (Bonfil 1981b).

The recognition of the plural character of the nation state and of the national society must go beyond the political to encompass a notion of plural development patterns: a plural society recognizes and fosters plurality in the future. The state must recognize constitutionally that indigenous territories are areas of alternative development. Only in this manner can there be any guarantee that community decisions will be respected by the state.

The community should be free to consult with or to delegate specific tasks to either the state through its appropriate agencies or to private agencies or individuals. Many aspects of the autonomous development process will be a collaborative effort between the community and outsiders who can provide specific skills and/or financial assistance. However, the community is also free to move at its own pace and not at the pace of the "experts." Specific projects would be small, lowering the financial risk involved and engaging the community members directly. The lure of big projects, large sums of money, and quick results is a sure way for the community to lose control of its own development.

QUESTION 2: Does the indigenous community exercise control over its territory and over all the resources found within the limits of that territory?

Indigenous communities cannot have control over their own development if they do not have proprietary power over their territory and its resources. It is therefore incumbent upon the state to recognize the community's claim to a particular territory as inalienable property of the community and to cede to the community control over the material and cultural resources found within that territory. Historically, this point has been the fundamental problem in the relations between the state and the indigenous peoples over which it claims jurisdiction. It will likely continue to be the main obstacle to the successful implementation of a program of autonomous development.

The first task in this stage of an autonomous development program is the definition and delimitation of the community's territory. The starting point is the particular indigenous group's definition of itself as a community: what level of ethnic integration is functional as a corporate group; what are the boundaries of Whiteness? The delimitation of the community territory depends on what sort of group makes the claim. It may be made by a local settlement, by a group of local settlements, by an entire ethnic group, or by a federation of related ethnic groups. In each case the territory would be different.

Once the social unit which considers itself a community is determined, one must ask what the community claims as its territory. One must also ask on what grounds it makes its claim. Is the claim based on historical occupation, on agreements made with the colonial power, on the limits of feasible economic exploitation, on claims of

spiritual ties to physical landmarks, or on a combination of claims? Does the community currently control all of the territory it claims or only a portion of it? Has the territory been invaded and settled by non-indigenous peoples?

It is currently the practice in many Latin American states, as indeed it is in the Peruvian Amazon, to define legally the community as the local settlement, and then to recognize as the community territory, those lands presently occupied and directly used by the members of the settlement. The shortcomings of this policy are discussed in Chapter V of this document and elsewhere (Smith 1977). While the question of territoriality, especially in the Amazonian region, is complicated, it is not beyond sorting out, provided the state is willing to do so.

A thorny third problem is the meaning of indigenous control of a particular territory. How can the autonomous administration of an indigenous territory fit into an over-all state structure? What are the limits of indigenous territorial autonomy within that structure? Does the state continue to exercise the right of eminent domain under certain circumstances? If so, under what circumstances?

Like the notion of territory, the concept of resources needs to be clarified so that community control can be more precisely defined. I suggest, after Bonfil (1981b), that resources be defined broadly into four categories: material, organizational, intellectual and symbolic/emotional. I will suggest some guidelines for community control over each category of resources.

1. Material resources include soil, sub-soil minerals, water, plants, and animals. The current legislation for the Peruvian Amazon recognizes full Native Community control over only the soil of that portion of its recognized territory classified for agricultural use. For those lands within the community territory classified for production forestry, the state retains property rights, but cedes to the community exclusive usufruct rights to the soils, the forests, and the fauna. The state retains ownership of all water resources, but cedes to the general public usufruct rights over waterways and riverine fauna. Finally, the state retains sole proprietorship of all sub-soil resources of the national territory.

Autonomous development is necessarily based on exclusive community proprietorship and control over all material resources found within its territory. The use of those resources within the community must be governed by custom or by collective decision and should benefit the entire community. As new production systems are employed within the community territory, new environmental problems will likely emerge for which the traditional culture has no solutions. The state should encourage the community to combine their traditional conservational practices with modern environmental management techniques to ensure that the land and its resources are not mismanaged. The autonomous development of community resources is guided by the needs of future generations, and not by the imperatives of immediate profit.

2. Organizational resources of the community include traditional forms of integrating people for a common enterprise. Within its territory, a community must be free to express its own organizational forms for political, economic, and cultural purposes. The community may choose to experiment with non-indigenous forms of organization consistent with the over-all goals of their autonomous development, when traditional forms are demonstrably inadequate. The imposition of organizational forms

by the state or by any extra-community institution must be eliminated.

3. Intellectual and symbolic resources are extremely important in maintaining cultural coherency and at the same time vulnerable to the structures of domination. They are almost exclusively transmitted through oral and ritual means in the indigenous tongue. The gravest threat to this resource base is public education and religious instruction as promoted by the state, by private religious missions, or by some combination of the two. Whether by design or not, both public education and religious instruction supplant the indigenous intellectual and symbolic resources with those of the dominant society, progressively impoverishing the former.

Autonomous development promotes the restructuring of public education in order to accomplish the following: a) the exercise of full control by the community over the content, structure, and delivery of public education; and b) transmission of useful skills and knowledge from the non-indigenous formal education, while retaining the traditional intellectual and symbolic resources as the basis for educating each generation.

Likewise, the community must regain control over the power inherent in religious symbols and encourage the important message which they convey. To this end, the community and the state must collaborate to restrict the activities of alien religious missions to guidelines established by the community.

QUESTION 3: Does the program for development promote self-sufficiency and economic independence of the indigenous community?

All indigenous communities had until recently the skills and resources which allowed them to satisfy all of their own needs. A program of autonomous development would attempt to recover these skills and resources and reinstate them as an integral part of daily life.

A program for community self-sufficiency would strengthen the following aspects of indigenous culture:

1. subsistence agriculture with emphasis on local varieties of food crops, local domesticated animals, and traditional agricultural and animal husbandry technology;
2. non-agricultural sources of food from hunting, fishing, and gathering with emphasis on traditional knowledge of local flora and fauna and the technology for conserving and exploiting them;
3. local manufactures for domestic use including pottery, basket making, spinning, weaving, woodcarving and others with emphasis on the accumulated knowledge of the materials, the techniques, and the styles employed; and
4. the construction of private houses and public buildings with emphasis on the use of local materials, techniques, and architectural styles.

When the community members enter into commercial relations with regional and national market economies, the program for autonomous development will aim to increase community productivity for the market while retaining community control over the production and marketing process. Maximum control can be achieved through the exercise

of decision-making by the community, a reliance on local resources, a continued emphasis on small scale, diversified economies, and sufficient knowledge of how new production systems and the marketing process work.

While market factors inevitably dictate the type of production which is commercially viable, a community must work towards exercising control over the material resources used for production, the technology employed, the organization of production, the community labor supply, capital and capital inputs, and the marketing process.

Material resources. Commercial production in indigenous communities is largely based on local natural resources, usually land or forests. Instances of commercial production in a community based on resources imported from outside the local area are rare indeed. It is essential, therefore, as was pointed out earlier, that the community have inalienable proprietary rights to all the material resources of its territory.

Technology. The technology employed for commercial production must be readily available, inexpensive and understandable to community members. This would suggest, for example, the use of local plant varieties rather than sophisticated hybrid varieties for agricultural production, and the use of local production techniques rather than techniques imported from another cultural or ecological milieu. If tools or machines are incorporated into the process, they should be inexpensive, and, with training, easily managed and repaired by community members. Mechanical aids should be used to increase the productivity of labor rather than to replace labor in the production process.

Organization of production. Currently there are a variety of ways in which commercial production is organized within indigenous communities. The apparent irreconcilable opposition between "private" family or individual based production systems and "collective" community based production systems is usually created and exacerbated by political interests of the metropoli. The organizational form must be determined by the type of production (agricultural, cattle raising, lumbering, or manufacture), and by the need to establish a balance between the requirements for efficiency and high productivity on the one hand, and the exigencies of the local cultural milieu - the demands of family and community life - on the other. The choice of organizational form, with room for experimentation, ultimately must rest with the community.

Community labor. A program of autonomous development should encourage the employment of the community labor force to further the goals of the community self-sufficiency and economic independence rather than to enhance the accumulation of wealth outside of the community. The community organization and the state should work together to eliminate and prohibit coercive labor practices and the economic exploitation of labor outside of the community.

Capital and capital inputs. Because of the low level of capital accumulation within most indigenous communities, a program for autonomous development will have to depend to a large degree on outside sources for its initial capital. The community, in this case, will have little control over this aspect of development. Commercial loans are not appropriate for financing autonomous development because of the high risk and lack of collateral to the lender, and the high cost to the borrower. The communities, the state, and private funding agencies should coordinate to develop a source of low interest long-term capital to finance programs of autonomous development in indigenous communities. The development program should, however, aim to increase capital accumulation within the community in order to lessen dependence on outside sources.

Marketing. Because external market factors determine the price paid for products entering the market, and the cost of capital inputs (tools, machinery, fertilizers etc.) and of consumer goods, the community has little direct control over them. However, within these limits, the development program must work towards eliminating the conditions which further reduce the indigenous producer's share of his product's value and further raise the cost of products from the metropoli. Because individual producers gain an advantage within the market by buying and selling cooperatively, one means towards more control is the establishment of a community controlled marketing and purchasing cooperative to replace the series of middlemen who accumulate most profits from commercial transactions. A community controlled transport system can further increase the community's share of their product's value while it decreases the cost of purchased inputs.

QUESTION 4: Does the development process strengthen the social and cultural bonds of the community and affirm the sense of historical identity and cultural dignity of the community members?

Autonomous development, as a process, emphasizes the community rather than the individual as the benefactor of its development programs. While individual community members will indeed benefit from their participation in different aspects of the development program, the primary long-range focus of autonomous development is the enhancement of the community and its collective development goals.

Indigenous communities have integrative mechanisms which promote solidarity. It is precisely these mechanisms which have permitted those communities which survived the initial contact with the Europeans to continue reaffirming themselves during five hundred years of European domination. Indigenous communities use different mechanisms in varying combinations to achieve and defend this solidarity. For that reason it is difficult to generalize about the integrative process of human communities. However, three aspects of Amuesha culture which serve this unifying function appear to be common to other groups as well.

1. All Amuesha share a common historical and cosmological bond to a specific territory which is dotted with natural and supernatural features recognized by the entire Amuesha community. Mountains and myth combine to delineate the rough boundaries of that territory. The Amuesha's relationship to the land and resources of that territory is based on common and reciprocal usufruct rights rather than on private property rights. All Amuesha, therefore, as members of the community, have access to the resources of the territory.

2. All relations within the Amuesha universe--social and cosmological--are guided by the principle of reciprocity: reciprocal exchange, reciprocal obligation, and reciprocal respect. As the basis for relations between the Amuesha and the natural and supernatural world, reciprocity binds them together into a single inter-dependent spiritual system; as the basis for relations between Amuesha, reciprocity binds the community together as a single inter-dependent society.

The principle of reciprocity discourages individual accumulation of surplus production and the monopolization of material resources. Instead it encourages the redistribution of goods and resources amongst real and fictive kin, thus creating bonds of mutual obligation and dependence within the community.

3. All Amuesha share a common cosmological/intellectual system. While the public aspects of this system are entrusted to and transmitted by a few individuals

who function as priests, the fundamental symbols and their millennial message are transmitted within the family on a daily basis, as part of growing up in the community. As an integral part of community life, this system imposes a bounded physical world with symbolic and historical meaning. And it provides reciprocal relations with a strong moral basis.

An indigenous cultural system is a complex whole of carefully integrated parts. Current models of development tend to emphasize only some aspects of that whole for development--most often economic production--to the detriment of other aspects. Long after this lop-sided development has taken place, evaluators lament the breakdown in community social relations, the incipient formation of class lines, the erosion of religious and moral foundations, or perhaps the physical disintegration of the community which accompanied the rise in production and productivity indicators.

A program of autonomous development would not willingly sacrifice some parts of the cultural whole in order to develop others. The program takes into account the particular integrative function of different cultural aspects of the indigenous community. In the Amuesha case, it would affirm Amuesha territoriality, the principle of reciprocity, and the underlying cosmological/intellectual system as the basis of development. The great challenge for autonomous development and for indigenous communities is to engage in a mutually beneficial dialogue with industrial capitalism, incorporating useful features of that alien system, while at the same time affirming the integrity and the balance of the indigenous culture and community.

This brings us back to the words of an Amuesha friend, who revealed his source of strength in the community when he said: "WE are WE." The more I ponder those words, the more I realize how profound they are. They underscore two fundamental human qualities which are essential for healthy human development. One is a sense of identity, both personal and collective, by which the sense of who you are as an individual is inseparable from who you are as a member of a community. And the other is a sense of dignity, both personal and collective, by which who you are is worthy of your own respect and that of others.

Identity and dignity are essential for an autonomous development process because without them, people are not capable of taking charge of their own lives; they cannot assume the power which autonomy implies. The situation of domination of Indian peoples in the Americas, and the structures which reinforce that domination, subvert the identity and the dignity of the dominated peoples. Development under these circumstances further incapacitates the dominated peoples from realizing their potential for autonomous development and leaves them more vulnerable to the demands of the dominant group.

Autonomous development stresses identity and dignity, both personal and community, as fundamental conditions for human growth. It does so by affirming the intrinsic value of each community's particular cultural alternatives and their right to be different within the context of the state. It does so by encouraging the state and the entire national society to decolonize itself, to divest itself of the structures of domination which restrict its own creativity and growth. It does so by affirming cultural variation as an important national resource and local autonomy as the means of perpetuating that resource.

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APPENDIX A

CHRONOLOGY OF EVENTS: PICHIS-PALCAZU PROJECT

- July 28, 1980 Inauguration of President Belaunde; installation of new civilian government.
- August 10, 1980* Belaunde makes official visit to Puerto Bermudez; announcement of Pichis-Palcazu Special Project.
- September 19, 1980 Minister of Agriculture closes CIPA-COTESU-Ministry of Agriculture land demarcation and titling project in the Pichis-Palcazu.
- September 27, 1980* Peruvian government and U.S. Agency for International Development sign an agreement establishing funds and an administrative model for the Special Project.
- October 11, 1980* Peruvian government established the executive commission to implement the Special Project.
- November 20, 1980 Comision Pro-Defensa accepts request to act in defense of the Amuesha and Campa of Pichis-Palcazu.
- December 15, 1980 Cultural Survival contacts USAID officials on problem of Indian land rights in the Pichis-Palcazu.
- January 22, 1981 Executive Director of Special Project offers the first announcement of Special Project objectives to a closed meeting of government officials and Acci3n Popular party members.
- February 3-7, 1981* IPEA Forum on Amazonian Development; Special Project Director offers first public disclosure of project objectives; representative of Comisi3n Pro-Defensa offers first public criticism of Special Project; a public debate ensues.
- February 3-9, 1981 USAID consultants prepare Scope of Work for the Environmental Assessment of Palcazu Project; consultants warn USAID of environmental limitations to development in the Palcazu.
- Feb. 19-24, 1981* Delegation from the Amuesha Congress and the Campa Congress meet with the Minister of Agriculture, with the Special Project Executive Director, and with officials of USAID.
- February 16, 1981 Minister of Agriculture orders a freeze to all land and forest concessions in the project area.
- February 24, 1981* Amuesha-Campa Delegation and the Comisi3n Pro-Defensa hold a press conference; Comisi3n Pro-Defensa makes public its position regarding the Pichis-Palcazu Special Project.

- Feb. 20-30, 1981 Special Project contracts two agronomists and 8 agronomy students to do social study of the Pichis-Palcazu Native Communities.
- Feb. - March, 1981 USAID consultants prepare the Social Assessment of the Palcazu portion of the Special Project; consultants warn of severe social constraints, especially with regard to the Native Communities, of a Penetration Road/Colonization project in the area.
- March 10, 1981 USAID holds a briefing session for those concerned with the U.S. funding of the Pichis-Palcazu Special Project. A new project focus on natural resource management is announced; this focus is being discussed with officials of the Belaunde government.
- March 15-20, 1981 USAID Lima presents a Project Identification Document to its Washington, D.C. headquarters for review. The project, titled Natural Resources Management Project, with a cost of \$22 million, de-emphasizes colonization of the Palcazu Valley. Tentative approval is given, permitting the Environmental Assessment/Project Design team to be assembled.
- April, 1981 Special Project signs an agreement with the Office of Rural Cadaster to complete the land titling process in the Palcazu and Pichis valleys.
- May 1, 1981* President Belaunde announces that his government will construct a new city called "Constitution" at the site where the proposed Marginal Highway will cross the Palcazu River; reference is made to an eventual population of 500,000.
- May, 1981 Special Project signs an agreement with the National Agrarian University at La Molina to assess the forestry potential of the Pichis-Palcazu.
- June 7, 1981 Special Project issues a warning to false cooperatives and land speculators who are offering lands in the Pichis-Palcazu.
- May-June, 1981 USAID and the Special Project contract the firm of Jorge Mirand S.A. to do the engineering and location study for the Palcazu penetration road.
- August, 1981 USAID official, under orders from Agency Administrator, travels to Peru to assess Belaunde strategy for high jungle development.
- September 9, 1981 Top levels of USAID agree to back the Peruvian government high jungle development strategy and suggest a role for themselves as consultants to the Peruvian government on the implementation of this strategy.

- July-October, 1981* A team of 18 specialists, under contract to the JRB Consulting firm, proceed with the environmental assessment of the Palcazu valley for USAID. Their conclusions point to poor quality of soils, high rainfall, deeply dissected terrain as the major constraints to development. The project design proposed the conservation of the fragile areas as National Parks, the management of the natural forests on a small scale, the reorientation of current cattle economy to one based on production of permanent crops, and special assistance to the Native Communities including a significant expansion of their land base.
- November 6, 1981 A team of officials from USAID Lima, the Special Project Executive Commission, and the Environmental Assessment team presents the conclusions of the environmental assessment to the Minister of Agriculture and to President Belaunde.
- May 25, 1981 USAID Lima presents a final Project Paper to its Washington, D.C. headquarters for approval.

*Specific documentation of these events is included in this report.

APPENDIX B*

PERUVIAN NEWSPAPER ACCOUNTS RELATED TO THE PROJECT

Belaunde announces:

A GREAT AXIS FOR COLONIZATION BETWEEN THE PICHIS AND PACHITEA RIVERS

From EL COMERCIO
Lima, Peru
Sunday, 10 August, 1980

The Government will develop a great "Axis for Colonization" of the Central Jungle, in the area between the Pichis and the Pachitea Rivers, considered one of the most promising regions of the country, the President of the Republic, Architect Fernando Belaunde Terry, announced yesterday.

The announcement came a few moments before he journeyed to that region, on what was his first inspection trip since he took on the Supreme Command of the Nation on July 28.

He said that the food problem must be given high priority, and advantage taken of the great possibilities which our country offers, mentioning that the jungle region of the country offers many of these special possibilities. He added that to do this, the government will offer the maximum support in order to build roads which will give access to these productive zones.

At 10 in the morning, the two helicopters left for the area of the Pichis, Palcazu, and Ucayali Rivers, stopping off at Puerto Alegre, Puerto Bermudez, and Puerto Inca. In this area, he inspected from the air the proposed routes of the Villa Rica-Puerto Bermudez highway (180 kilometers long) and the Puerto Bermudez-Puerto Alegre highway (120 kilometers long). Parts of these highways are being built by the Army.

PERU COULD FEED ITSELF WITH THE RESOURCES OF THE JUNGLE

From EL COMERCIO
Lima, Peru
Monday, 11 August, 1980

The President of the Republic, Architect Fernando Belaunde Terry said yesterday that "it is incredible that we have to ration the sale of meat in Lima, when we have these immense areas (of the jungle) which, thanks to their resources, could feed all of Peru." That is how the President summed it up when he returned from his trip to the extensive jungle region.

The Chief of State paid tribute to the pioneers that colonized our jungle, to the national airlines which opened routes into the jungle, sometimes at the cost of human lives, and to the journalists whom he called "travelers and students of Peru."

* Translated by Richard Chase Smith

The President looked pleased with the great quantity of construction materials available in this region and thanked the officials of USAID for accepting his invitation to accompany him on the trip. The official in charge of business affairs at the U.S. Embassy also accompanied the President.

ONE HUNDRED MILLION SOLES MARKED FOR COLONIZATION PROJECT

FROM EL COMERCIO
Lima, Peru

Friday, 26 September, 1980

Yesterday the Minister of Agriculture, Nils Ericsson Correa, announced a Colonization Project which will permit before long the settlement of the Pichis, Palcazu, and Pachitea with 150 thousand people. The head of Agriculture said that to turn this project into reality, the government has marked 100 million soles (US \$300,000) and will have the aid and collaboration offered by the USAID. He also announced that the InterAmerican Development Bank and the World Bank have shown interest in this project.

He pointed out that the Pichis, Palcazu, Pachitea Project has an area for potential agricultural use of one-half million hectares which guarantees success in reaching the goals of increasing production, settlement of new populations, and raising income levels through the creation of new sources of work.

He said that in these new rural settlements the government will assure an integrated development of the zone in areas including agroindustry, establishment of services, education and health. He announced that on Monday, 29 September, a study of the area will begin. For this purpose a team of 38 professionals has been formed; this team will engage in feasibility studies on three fronts.

A GRANT AGREEMENT WAS SIGNED WITH A.I.D.

From EL COMERCIO
Lima, Peru

Sunday, 28 September, 1980

A grant agreement for 72 million soles (US \$235,000), to be used for finishing the studies for developing the Pichis-Palcazu Area in the Central Jungle, was signed yesterday between the Peruvian Government and the Agency for International Development (A.I.D.). The signing ceremony was held at the Government Palace and was presided over by the First Leader, Fernando Belaunde Terry. It is the first step of a program for financial and technical cooperation from A.I.D. for a total of some US \$100 million.

The agreement was also signed by the Ministers of Economy, Finance, and Commerce, and the Minister of Justice, currently in charge of the Ministry of Foreign Relations; on the part of A.I.D. the agreement was signed by Leonard Yaeger and John B. O'Donnell. The program for cooperation includes a donation of US \$25 million, the rest in soft loans, with 25 years to pay, 10 years of grace. The interest for the grace period will be 2% and for the other 15 years, 3%.

The Chief of State said that initially this cooperation program includes US \$25 million for executing the Pichis-Palcazu Plan, US \$10 million for mini-hydroelectric plants, and US \$20 million for the Housing Bank for use in turn in the Building Materials Bank. Belaunde Terry showed profuse appreciation to A.I.D. for the sizeable cooperation they are lending to support the development of our country, making special reference to another program of cooperation with the Ministry of Health.

On behalf of A.I.D. Leonard Yaeger said that the signing of the agreement, which he called "integrated", responds to the strategy of the new Constitutional Government to develop the jungle region and to create new food producing areas. He then expressed his firm conviction that within the next 3 to 5 years Peru will achieve financing for many development programs which are being planned to benefit the neediest segments of society.

THE GOVERNMENT CREATES AN EXECUTIVE COMMISSION
TO RENEW DEVELOPMENT EFFORTS IN THE JUNGLE

From EL DIARIO
Lima, Peru
Sunday, 12 October, 1980

In order to renew development efforts in the lower and upper jungle areas of the departments of Pasco and Huanuco, the Constitutional Government created an "Executive Commission" which is in charge of implementing the Pichis-Palcazu Project. This Commission, which will operate as part of the Departmental Committee for the Development of Pasco, should administer, under the authority of this Committee, the funds which were made available through the Grant Agreement AID #527, signed with the government of the U.S.A.

The bisectoral commission will be overseen by the Minister of Agriculture in representation of the Prime Minister. Other members are the representative of the Ministry of Transports and Communication and another representative of the Prime Minister.

This commission was formed by Supreme Decree #137-80 of the Ministry of Agriculture. It was formed because it was declared top priority to begin the studies and programs which are aimed at implementing the regional project for the Pichis, Palcazu, and Pachitea Rivers.

CONSTITUTION CITY WILL BE BUILT BETWEEN THE PALCAZU AND PACHITEA RIVERS
President Belaunde chose the Location

From EL COMERCIO
Lima, Peru
Sunday, 2 May, 1981

The President of the Republic, Architect Fernando Belaunde Terry, dedicated Labor Day, yesterday, to visit the Central Jungle where he personally chose the site for the future city "Constitution", between the Palcazu and Pachitea Rivers.

"To spend the 1st day of May in the Central Jungle has been an unforgettable experience," he told reporters at the Air Force's Air Group #8 when he returned last night.

The President was accompanied by three ministers from his cabinet, and by the Ambassador of the United States, Edwin Corr, and the Ambassador of West Germany, Hans Werner Loeck. Also part of his entourage was the official in charge of business affairs of the Dutch Embassy, and the Vice President of the InterAmerican Development Bank, Reuben Sternfeld.

The Peruvian Institute of Urbanism will be in charge of drawing up the plans for the future city. The specialists in urbanism who accompanied the President said that the future city will have abundant electric energy because of the swift current of the Palcazu River. And they added that the Marginal Highway of the Jungle will pass through this spot.

APPENDIX C*

GRANT AGREEMENT

SEPTEMBER 28, 1980

ANNEX A

DESCRIPTION OF ACTIVITIES

I	Title of Activities	II	Project Number
	DESIGN OF PICHIS/PALCAZU PROJECT		527-0166

III The signators agree to carry out the following activities as described in this agreement:

A. Purpose

The goals of this agreement are 1. to finance the establishment and the initial operations of a Special Project, under the jurisdiction of the Prime Minister, headed by an Executive Director, who is responsible to plan and direct a project for integrated development of the Pichis-Palcazu region in the high jungle of the Departments of Pasco and Huanuco; 2. to finance the studies required to draw up a project document for a proposed loan of US \$20 million for the development of the Palcazu Valley; and 3. to demonstrate the intention of both signators to use funds from additional sources as is detailed in Section C, to finance some of the design activities of the project and other activities for urgent development in the Pichis and Palcazu valleys.

B. Background

In Peru there exists a large extension of land which is suitable for agriculture in the main river valleys all along the eastern flanks of the Andes. Two of these valleys, the Pichis and the Palcazu, are located directly behind the Andes from Lima. In spite of the relatively short distance from the Pichis-Palcazu to Peru's largest consumer center, these rich agricultural valleys remained undeveloped because of the lack of access roads, which would connect them to existing highway networks which cross the highlands to get to the principal markets and centers of exportation on the coast. The development of these valleys is one of the principal strategic objectives of A.I.D. according to the USAID/PERU Document on Development Strategy for the Country, and the Presentation of the Annual Budget for fiscal year 1982.

The National Office for Evaluating Natural Resources completed a survey study of the area in 1970 which identified the best routes for access roads into the Pichis and Palcazu valleys. This same office is now carrying out semi-detailed studies of the soils and studies of land use capacity for this area which is expected to be finished at the end of 1980. Based on these studies, the Government of Peru has constructed 70 kilometers of the 110 kilometers needed to connect Villa Rica, which is located at the end of a section of the Marginal Highway, and Puerto Bermudez in the Pichis Valley. In order to accelerate the completion of this access route, it was decided to stop the construction work of a secondary vehicle road open all year round

* Translated from the original Spanish text by Richard Chase Smith

between these two points, and concentrate on the opening of a vehicle road crossing the San Matias mountain range. It is hoped that this road of some 40 kilometers will be finished at the end of 1980, which at that time will connect Puerto Bermudez, the largest settlement in the area, with a road to the coast.

Responding to a request from the Constitutional President of the Republic in August 1980, USAID/PERU has begun preparing the documentation needed to develop the proposed loan of US \$20 million which will finance a program of integrated development in the Palcazu Valley, which will be accessible through the road under construction at this moment Villa Rica-Puerto Bermudez. The Palcazu Valley contains some 45,000 hectares of lands suitable for intensive agriculture, pasture, and permanent crops, and another 85,000 hectares suitable for production forestry. These lands are currently not being exploited at all or else greatly underexploited. The proposed loan will finance the inputs required to convert the Palcazu Valley into an area of greater production, using as a model the organization, the institutional arrangements, and the procedures introduced by the Central Huallaga and Bajo Mayo Project, financed by USAID, in the high jungle of the Department of San Martin.

The proposed loan of US \$20 million will finance such physical infrastructure in the Palcazu Valley as access roads, collection centers and warehouses, and machine-pools for clearing the forest and preparing the soils for planting. These activities should be carried out in conjunction with other support services financed by the loan, such as adjudication and mapping of agricultural lands, agricultural extension services, and a system of credit for capitalizing and improving the farms. The project will also finance the development of forest resources and activities aimed at environmental control.

C. Responsibilities of the Signators

1. The Government of the United States, represented by the Agency for International Development, agrees to donate to the Government of Peru up to the sum of US \$235,000, which will be used for the following:

a. To finance up to US \$75,000 the initial costs for the first six operating months of the Executive Office of the Pichis-Palcazu Special Project. These funds can be used to pay salaries, transportation costs, travel allowances, office expenses, and other operating expenses as are agreed upon by both parties.

b. To finance up to US \$110,000 for contracting private engineering firm(s) to do the preliminary studies for locating the route of the penetration roads into the Palcazu Valley and other access roads.

c. To finance up to US \$50,000 additional studies which may be required for the preparation of the project document for the proposed loan for the Palcazu Valley. These studies will be used to determine the appropriate expenditures for the physical and institutional infrastructure given the physical, economic, social characteristics of the area.

2. The Government of Peru, represented by the Office of the President of the Ministers' Council, agrees to the following:

a. To establish a Special Project for the Development of the Pichis Palcazu areas, including the creation of a Special Project Office under the leadership of an executive director and with the services of three or four key specialists. This office will be responsible for directing, coordinating, and executing a series of activities required for the preparation of the necessary information for documenting the loan proposed by A.I.D. for fiscal year 1981/82, as well as for initiating certain urgent activities in the Palcazu Valley as detailed in Section D. The office of the project will also coordinate activities related to the construction of the Villa-Rica-Puerto Bermudez-Puerto Pachitea section of the marginal highway, and any other development activities in the Pichis Palcazu areas.

b. Subject to the availability of funds, budget an estimated US \$6,465,000 from additional funding sources described below to carry out the related activities of project design, and to initiate some urgent development activities in the proposed area of the project.

The additional funding sources, the approximate amounts, and the use to which they are assigned are described in the following clauses:

1. The A.I.D. loan 061, Huallaga Central/Bajo Mayo Special Project, for an estimated amount of US \$160,000 to finance the completion of the semi-detailed studies of resources of the Palcazu Valley done by ONERN, including additional aerial photography and base maps as may be needed and the preparation of an evaluation of environmental impact and a preliminary plan for environmental protection for the Palcazu Valley.

2. Under the PL480, Title I agreements for fiscal year 1980/81 an amount estimated at US \$6,000,000 to finance:

a. initial operating costs of the Special Project Office, including salaries, office and equipment expenses, transportation, travel allowance, communications, etc. (US \$140,000)

b. topographic maps for the Pichis and Palcazu Valleys at a scale of 1:25,000 (US \$100,000)

c. the mapping of property boundaries and the preparation of a policy and plan for colonizing the lands of the Pichis and Palcazu Valleys (US \$300,000)

d. acquisition of machinery and equipment for the construction and maintenance of roads; acquisition of Bailey-type bridges; and the construction of the penetration route to the Palcazu Valley (US \$4,210,000)

e. the final design for the penetration road from the Pichanaz River to Iscozacín (US \$50,000)

f. to establish agricultural experimental stations in the Pichis and Palcazu Valleys (US \$1,200,000)

3. Funds from the Public Treasury to the amount of US \$305,000 to finance:

a. activities related to the preparation of property boundary maps in order to carry out an ordered settling of farmers in the Pichis and Palcazu Valleys (US \$100,000)

b. activities related to the agricultural experimental stations in the project area (US \$105,000)

c. activities related to the construction of a secondary vehicle penetration road into the Palcazu Valley (US \$100,000)

4. Take the necessary measures for planning and carrying out a well-ordered program for the colonization of the Palcazu Valley. The plans for such a program should be prepared and approved before initiating work on the secondary vehicle road into the Palcazu Valley, and should take into consideration land use classification, existing land claims, indigenous settlements, and other legal and environmental considerations.

5. Make available to A.I.D. on or before the 15th of May 1981 copies of the maps, studies, and other documents of the Pichis-Palcazu area which may be necessary for the preparation of the A.I.D. Project Document, including copies of the road location study and all the other studies financed under this agreement.

APPENDIX D

"BICENTENNIAL OF THE EMANCIPATORY REBELLION
OF TUPAC AMARU AND MICAELA BASTIDAS"

The Director of A.I.D.

Mr. Director:

We, the undersigned leaders of the Congress of the Native Amuesha Communities of the Palcazu river, the Congress of the Native Campa Communities of the Fichis river, and delegates of the communities of both rivers located in the Province of Oxapampa of the Department of Pasco, would like to state the following:

Inasmuch as the execution of the Special Pichis Palcazu Project has been publicly announced and as it will affect our communities located on both the Pichis and Palcazu rivers, we would like to express our concern and make several suggestions thereon:

a) In regard to the construction of a highway segment to cross the valley of the Palcazu river, we consider that this roadway will be beneficial only if land titles are first issued and registered for the areas occupied by the native communities of this valley.

b) Work should be continued, accordingly, on the Project to issue land titles being carried out under the COTESU-Ministry of Agriculture agreement, so that the Pichis and Palcazu river areas may soon be covered by such title documents.

c) The integrity of the community land already delimited should be guaranteed and the territories of the remaining communities should be likewise marked out.

d) The necessary areas should be set aside to enlarge those communities whose population is growing day by day.

e) Those communities not yet enjoying such status should be recognized and registered.

f) The 25 communities of the Pichis river whose land has already been delimited should be awarded their title deeds.

g) A non-native population is being pushed into areas under occupation by the native Amuesha and Campa communities, a situation that is likely to worsen with the construction of the Palcazu river highway. The gravity is compounded by the fact that our communities have not yet been given title deeds to the land they inhabit.

* Translated from the original Spanish text by USAID, Lima

h) The forestry resources of the native communities should be reserved for their exclusive use and no lumbering contracts covering the said resources of those communities should be extended to private enterprises.

The native population of the Pichis and Palcazu river valleys have never received any loans or financial support for their marketing, agricultural and livestock activities, nor for the exploitation of their forestry resources. As a result the following should be performed:

a) Financial support should be given to the Centro de Acopio de Productos Agropecuarios (Center for the Storage of Agricultural Products), an agency created and operated by 60 communities inhabiting several river valleys.

b) Facilities and technical advice should be furnished for farming, livestock raising and logging activities.

c) The produce of the native communities should be passed freely through the police control posts (land, river and air).

d) Support should be extended to community projects for economic and agricultural promotion, especially the AGRO-YANESHA of the Palcazu river and the CAPAP of the Pichis river.

Our organizations have been overlooked in the regional development plans. In the case of the Pichis Palcazu Project, it is important that we be taken into account in developing its future activities. To this end, the following should be done:

a) The Amuesha Congress of the Palcazu river and the Campa Congress of the Pichis should be recognized and activities should be coordinated with them.

b) The leaders of those organizations should be given facilities for making their opinions known and these viewpoints should be borne in mind when carrying out the Project activities.

The critical state of health and of health services within the native communities of the region encompassed in the Pichis Palcazu Project makes it essential to consider the following:

a) The health promoters working today in the communities, as well as the health committees operating in them, should be acknowledged.

b) The prevention of epidemics and of diseases should be furthered by raising the nutritional standards of the population and facilitating access to the food resources of the jungle.

c) The Special Project should facilitate free access to the health services operating in the native communities, the equipping of medical posts and the continued training of health promoters.

The educational state of the communities on the two rivers is conspicuous for its low level, the absence of educational services and the lack of teaching materials. Consequently,

a) A secondary school should be established in the Cahuapanas native community on the Pichis river, and another in the native community of the Palcazu river.

b) Support should be given to organizing and implementing a bilingual educational system which would do away with the existing cultural discrimination.

For these reasons we would like to ask you to keep our viewpoints and opinions in mind while performing the tasks of the Special Pichis Palcazu Project, particularly the construction of a highway in the Palcazu river valley.

Shiringamazu, January 18, 1981

Enrique Pablo Lopez
President of the Amuesha
Congress

Carlos Perez Shuma
President of the Campa Congress

Fidel Domingo Lazaro
Delegate of the NC of Alto
Iscozacin

Antonio Mateo Pedro
Head of the NC of Shiringamazu

Vistor Tominotti Ampiche
Delegate of the NC of Porvenir

APPENDIX E*

COMMISSION FOR THE DEFENSE OF NATIVE LANDS:
A PUBLIC STATEMENT ON THE PICHIS PALCAZU SPECIAL PROEJCT

Barely twelve days after his inauguration as President of the country, architect Fernando Belaunde Terry announced, during his first official inspection trip to Puerto Bermudez (Pichis River) that his government will develop a "Great Axis for Colonization" between the Pichis, Palcazu, and Pachitea Rivers as a means to create massive employment opportunities and to expand the agricultural frontier.

On September 26, the Minister of Agriculture declared that the government has set aside 100 million soles (US \$305,000) to settle 150,000 people in the Pichis-Palcazu-Pachitea area, and in that way incorporate more than half a million hectares of agricultural land. He added that the project will be supported by USAID, InterAmerican Development Bank, and the World Bank. The next day, President Belaunde announced publicly the signing of a grant agreement between the Peruvian government and the Agency for International Development of the U.S. government for the amount of 72 million soles (US \$235,000) to be used for completing the preliminary studies for the Colonization Project in the Pichis-Palcazu. Belaunde explained that this agreement was signed as part of a larger plan for technical and financial cooperation for a total of US \$100 million which USAID is offering to the Peruvian government.

The agreement to complete the area studies has as its main objective the design of an Integrated Development Project, based on the model employed by the Huallaga Central/Bajo Mayo Project (also financed by the USAID). This model promotes economic intergration through the massive relocation of colonists, the construction of penetration roads, and the development of extractive industries. According to this agreement, USAID will donate US \$235,000 and the Peruvian government, US \$6,465,000. These funds will be channeled through a Special Commission, under the Office of the Prime Minister, which will design and implement the project, finance the Palcazu road (with more than US \$4 million) and direct a series of technical studies which will be carried out by ONERN (which according to El Comercio, January 3, 1981, recently received a donation of US \$1 million from USAID).

The project design produced by the Special Commission will be presented to USAID as a request for a loan of US \$20 million for the fiscal year 1981/82. In spite of the fact that Belaunde has referred to US \$25 million from USAID for the Pichis Palcazu project, the truth is that this proposal will only just be presented to the U.S. Congress in June of this year.

On the other hand, of the US \$6,465,000 of so called national counterpart funds, only US \$305,000 come from the Peruvian treasury. (Those announced by the Minister of Agriculture on September 26, 1980.) The rest of these funds also come from the U.S. government by means of Public Law 480, Title I (Food for Peace, US \$6 million) and from USAID funds transferred from the Huallaga Central/Bajo Mayo Project.

* Translated from the original Spanish text by Richard Chase Smith; published in Amazonfa Indfgena Año 1(3):3-4. April, 1981

THE DEMOGRAPHIC PICTURE OF THE AREA

The Pichis Palcazu Valleys, areas of humid tropical forest, are located in the central jungle. The Palcazu River is an area of refuge for the Amuesha native group, who were alienated from their original territory in the Chanchamayo, Oxapampa, and Villa Rica Valleys after the invasion of settlers throughout the past century. At this time, there are 17 Amuesha communities in the Palcazu Valley, of which only 11 have been officially recognized. Of these 11, only 9 have legal title to the land they possess. Of the 17 Amuesha communities, then, 6 have not been recognized by the government and 8 do not have land titles.

In the Pichis Valley there are 63 Campa Indian settlements some of which have merged to form altogether 34 native communities. Of these, only 19 have been recognized and only 15 have land title. This leaves 15 Campa communities without legal recognition and 19 without legal guarantees for their lands. According to official reports, in 1978 the native population was about 65% of the total population of the two valleys.

On the other hand, in 1979, the Ministry of Agriculture signed an agreement with the Swiss Technical Aid Mission to carry out a program of land surveying and titling in both valleys, following the guidelines laid down in the Integrated Development Project for the Pichis-Palcazu, 1976. The technicians working on this project estimate, based on the latest soil studies done by ONERN, that the small areas suitable for agricultural activities are already totally settled by both natives and colonists. They stress that any future development of the area must be based on the current population of the area.

In spite of all these facts, in spite of the accumulation of failures in programs for planned colonization, and in spite of the tremendous ecological drawbacks of this sort of tropical forest area, the proposed model for development is still colonization promoted with a system of new highways. Given the precariousness of the land tenancy situation of the native population, and the lack of any political decision on the part of the present government to back up the wide-ranging guarantees for native lands granted in DL 21175, and given the delicate relations between the native population and the national society and economy, this multi-million dollar project for massive colonization of the Pichis and Palcazu Valleys will only bring disastrous results of desintegration of the native communities and impoverishment of the Amuesha and Campa population. In other words, it would be a Project of Ethnocide.

TO THE PICHIS-PALCAZU SPECIAL PROJECT, WE DIRECT THE FOLLOWING QUESTIONS:

1. If the goal of the project is to implement a program of planned colonization, why then, have the promoters of the project made public announcements about the projected benefits of the project, and begun construction work on the Palcazu penetration road, BEFORE carrying out the necessary studies and designing a plan for settlement in the area? Just the news of a new high-

way into the Palcazu Valley has already provoked a race to grab up the little unoccupied land along the proposed route of the road.

2. The most recent data on land tenancy in the Pichis-Palcazu area show conclusively that the area is already settled to its limit. How then can the government launch publicly a project, with financing apparently assured, which claims to settle 150,000 people more in the area? We ask if among its strategies for settling these newcomers the Special Project proposes to reduce the land areas of the Native Communities, or perhaps expropriate the large cattle ranches and redistribute the lands among the new colonists?

3. A recent mandate from the Congress of the U.S. known as the New Directions, authorizes the USAID to use its financial resources only for projects which demonstrably benefit "the poorest of the poor". We ask which sectors of the national or regional population will benefit from the Special Project? The poorest people in the project area (the native Indians and the poor settlers) or those who already have the means to take advantage of the infrastructural projects such as the roads, the airports, the slaughter houses, etc. which the Special Project is proposing?

4. According to the Grant Agreement subscribed to by USAID and the Peruvian government, the Pichis-Palcazu Special Project will use as an administrative and organizational model the Huallaga Central/Bajo Mayo Special Project. The latter was an extension of the Tingo Maria/Tocache/Campanilla Colonization Project in the Upper Huallaga River area. We ask if any kind of evaluation has been made of the economic and social costs and benefits of the Huallaga Central Project? If so, do the results of that evaluation justify using the same model once again in the Pichis-Palcazu?

5. The Huallaga River Valley, which was the object during the past two decades of multi-million dollar investments provided by USAID and IDB for the implementation of these planned colonization projects, is today the most important center in the country for the production of coca leaf, and its illegal transformation into the base paste for cocaine. Now, the Peruvian government, with the help of USAID and other North American sources, is investing equally large sources (US \$50 million projected for 1981-83) to combat the production and illegal traffic of drugs in the area. We ask what precautions will be taken to make sure that this same story is not repeated in the Pichis-Palcazu Valley once the necessary infrastructure is in place?

OUR POSITION

Before initiating any work which will encourage the movement of more people to the Pichis-Palcazu area, we demand the following from the government:

1. LAND AND NATURAL RESOURCES:

Sufficient land for each family which guarantees the economic welfare and the future development of the community, as well as the social cohesion and viability of the Amuesha and Campa societies and ethnic group. We call upon

the government:

a. to officially recognize and to inscribe in the National Register of Native Communities all of the communities which have not yet been either recognized or inscribed;

b. to demarcate the lands of those communities which have not yet been demarcated;

c. to grant land titles to all those communities whose lands have been demarcated;

d. to follow through with the objectives for enlargement of the community land base as established in the Amuesha-Yanachaga Project;

e. to guarantee the integrity of the community lands which have already been granted land titles;

f. to guarantee and protect those communities whose lands may be invaded by new settlers attracted by the new penetration road;

g. to guarantee that no human settlement take place in those areas set aside as Protected Forests and Communal Reserves;

h. to guarantee that the forestry resources included within the Native Communities territory or granted to them in usufruct be utilized in the benefit of the said communities.

2. ECONOMIC DEVELOPMENT:

We call upon the government to offer the following guarantees through the Special Project:

a. that the new project not impede or interfere with the functioning of the traditional native economy which is based on slash and burn horticulture, hunting, fishing, and gathering, and the reciprocal redistribution of their production;

b. that the new project not hinder the autonomous economic development of the Native Communities by limiting their access to local and regional markets through the creation of commercial monopolies and/or the creation of obstacles to technical assistance and credit either through high cost or through racial or cultural discrimination;

c. that the project take into account the economic needs of the Native Communities;

d. that the Native Communities be given access to all the government services introduced to the area by the Special Project;

e. that the Special Project give its support to the community projects working for economic and agricultural development.

3. NATIVE ORGANIZATION:

We call upon the government to grant official recognition and to respect the native organizations which exist and work in the region (the Amuesha Congress in the Palcazu Valley, and the Campa Congress in the Pichis Valley) and their respective committees and projects.

4. HEALTH:

The government must be aware of the low level of health and health care within the Native Communities and address these problems in the Special Project. We call upon the government:

a. to take immediate measures to control and prevent possible epidemics and other circumstances which threaten the health of the native population, such as a decrease in the nutrition levels because of restrictions placed on their access to food resources from the forest by the projected colonization scheme;

b. to allow and to support the organization of a community system for procurement and distribution of medicines, and medical services, and the improved participation of native peoples in this system through education and training;

c. to guarantee open access, free of racial or cultural discrimination, to all health services installed by the Special Project.

5. EDUCATION:

The government must recognize the low levels of formal education within the Native Communities because of the lack of appropriate educational services and address this problem in the Special Project. We call upon the government:

a. to support the organization and implementation of a bilingual and bicultural education system in both river valleys, so that formal education in schools will not continue to be a source of cultural discrimination;

b. to guarantee open access, without discrimination, to the local high schools and the other educational facilities contemplated by the Special Project.

6. CULTURE:

We call upon the government to guarantee that the Special Project will not destroy or in any way thwart the cultural and ethnic integrity of the native population.

7. ECOLOGY:

We call upon the government to take into consideration such factors as land use capacity, the abundant rains, and the ecological fragility of the tropical forest and its subsoils in their plans for colonizing this region in order to avoid initiating an irreversible process of ecological deterioration, such as has been the result along the Transamazon Highway of Brazil.

Lima, 23 February, 1981

Comisión Pro-Defensa de Tierras Nativas.

APPENDIX F

Congress of the United States
Committee on Foreign Affairs
House of Representatives
Washington, D.C. 20515

February 25, 1981

Mr. Joseph Wheeler
Acting Administrator
Agency for International Development
Washington, D.C. 20523

Dear Mr. Wheeler:

As Chairman of the two House Foreign Affairs Subcommittees that share jurisdiction over environmental and human rights issues with respect to Latin America, we are writing to express our deep concern about AID's proposed Pichis-Palcazu project in central Peru, and to urge you to conduct a full economic, environmental and sociocultural review of the project before a final decision is reached. This review should include preparation, under 22.C.F.R. Part 216, of a formal environmental impact statement.

The project, which plans to relocate some 150,000 small farmers to an area in the eastern Andes, is extremely expensive (initial funding is set at \$20 million), and could fail to accomplish its objectives of developing the site for agriculture, cattle raising, and timber. In addition to the high cost, the project could result in the needless destruction of protected tropical forests and threaten native tribal groups.

The Subcommittee on Human Rights and International Organizations' hearings on Tropical Deforestation (January, 1981) and the U.S. Interagency Task Force on Tropical Forests' Report (May, 1980) conclude that large-scale transmigration projects, like Pichis-Palcazu, are highly complex, expensive and risky. Similar projects in Bolivia, Brazil, and Peru have failed due to a lack of realistic economic and environmental planning.

The physical features of the Pichis-Palcazu site may present special problems. At present, the area is covered largely with virgin or old growth tropical forest, which would be converted to crop and grazing lands. Substantial doubt remains as to whether denuded tropical forestlands are capable of supporting sustained agriculture and employment for such a large number of colonists as foreseen in this project. In view of the rugged terrain, extensive, uncontrolled forest clearing on the hillsides will lead to siltation of rivers and increase the likelihood of flooding. The ultimate effects are obvious: productivity will decline and additional investments will be required to assure the project's viability.

Another serious question concerns the fate of the Amuesha and Campa Indian tribes, which number about 15,000 and have lived in this area for thousands of years. They have historically had little exposure to outsiders, and could come into dangerous cultural, and even physical conflict with the settlers. Their traditional free movement over extensive territory could become infeasible when large blocks of land are sealed off to raise commercial crops and livestock. The tribes would then face a painful choice: migrate to more isolated, unfamiliar territory or submit to cultural destruction and economic subservience. Entire tribes have been lost as a result of poorly planned colonization of tropical forest areas: 87 of the 230 original Amazonian tribes have now vanished.

It is our understanding that AID plans to complete all project preparations within the next six months. The type of review we are suggesting cannot, of course, be conducted efficiently or effectively within such a time frame. We therefore encourage you to extend the date for completion.

A full review of the Pichis-Palcazu project is, we believe, the only way to assure that the questions we have raised here are addressed and answered.

We look forward to receiving your reply by March 15, 1981.

Sincerely yours,

Don Bonker, Chairman
Subcommittee on Human Rights
and International Organizations

Michael D. Barnes, Chairman
Subcommittee on Inter-American Affairs

APPENDIX G

Natural Resources Defense Council, Inc.
1725 I Street, N.W.
Suite 600
Washington, D.C. 20006

MEMORANDUM

TO: Richard F. Weber, Director
Office of South American Affairs, USAID

FROM: S. Jacob Scherr, Staff Attorney
Hugh Gibson, Research Associate

DATE: May 12, 1981

SUBJ: AID Status Report on the Central Selva Natural
Resources Management Project, Peru

We appreciate the opportunity to comment on the status report on the proposed Central Selva Natural Resources Management Project in Peru. As reflected in the status report, there is an awareness that the Central Selva project faces severe environmental constraints that could reduce or even eliminate its anticipated benefits. We are encouraged, therefore, that AID plans to conduct a thorough, multi-disciplinary environmental review and to consider its findings before a final decision on the project is reached.

There are a number of serious questions not adequately addressed in the status report:

(1) The report does not explain how the economic feasibility of the project is to be evaluated. It appears that the project is simply assumed to be economically viable, though its environmental and social impacts are conceded to be problematic. In reality, the project may well be inadvisable on economic grounds alone, in view of the limited, untested resource base of the project site and the possibility that AID funds could be invested more profitably outside the high selva. The project evaluation should include a rigorous cost-benefit analysis, and an explicit comparison with alternative investment options. The report should state that such an analysis will be conducted and that its results will be a major factor in deciding whether to undertake the project.

(2) The report does not estimate, even roughly, the number of new settlers to be given title to land in the project area. Although colonization is planned to be "limited," its impacts are difficult to assess without some approximation of its magnitude. The existing land capability data obtained by ONERN provides a basis for a preliminary estimate, though verification of this data is imperative.

(3) The Central Selva project is envisioned by AID as a model for similar projects elsewhere in the high selva. Yet there is considerable doubt as to whether such development can be conducted in a manner which is economically and ecologically sound. The history of colonization projects in the high selva is largely one of failure; often, the soils and terrain prove unsuitable to intensive farming or grazing, and the new settlements become unproductive after a short time.

In theory, many of these problems might be avoided or mitigated by proper planning, based on comprehensive, accurate resource data. However, as the status report implies, land capability data for the high selva is spotty and inadequate at present. There are indications, at least for the Central Selva site, that the available resource data may have been biased in favor of development.

In view of these uncertainties, it appears highly premature to regard the Central Selva project as a model for large-scale development of the high selva. If it is funded, the project should be considered only as an experiment in appropriate land use in a specific locality. It must be evaluated over an extended period before similar projects are undertaken or an overall strategy for the high selva is developed.

(4) A number of mechanisms - including land titling and demarcation, training of a guard force, and provision of a resident specialist in anthropology - are planned as a means of regulating the influx of new settlers. However, it is unclear whether these plans will be carried out prior to completion of the access road along the Palcazu valley. If the road is finished before controls are in place, there may be rapid, uncoordinated settlement with consequent degradation of the resource base. The project should specify that road construction will be coordinated carefully with the installation of controls on settlement.

In sum, AID has taken the initial steps to evaluate the proposed Central Selva project in regard to the suitability of the resource base upon which the project's success depends. However, there remain serious concerns as to its economic viability, scope, implementation, and role within AID's overall strategy for development of the high selva. Pending the completion of a full environmental review and economic analysis, we continue to have serious reservations as to whether the project should be undertaken.

APPENDIX H

PERU'S ECOLOGICAL DISASTER*

Christopher Joyce

Pressure groups in Britain and the US are sounding alarms about the Peruvian government's plan to turn vast areas of rainforest into farmland. And the US government, which is paying for the project, is now having second thoughts.

The project, which involves the development of an area of central Peru called the Central Selva and which once had the whole-hearted support of the US Agency for International Development (AID), was the dream of Peruvian president Fernando Belaunde. Belaunde wants to turn the valleys of the rivers Pichis and Palcazu into the country's breadbasket, and use the area to relocate 150 000 people from the overcrowded areas west of the Andes.

Belaunde was ousted by a coup in 1968, and spent most of the next 12 years in the US, developing ideas such as the Selva project. When a general election returned him to power last year, he had his chance. He announced plans to drive a road into the Central Selva, and provide a place to which tens of thousands of Peruvians could migrate.

As a democratically-elected president of a South American country friendly to the US, Belaunde found the going fairly smooth. According to officials at AID, the agency's mission in Peru pushed hard for the adoption of the \$22 million project. It began feasibility studies which one official described as a formality: "There was a tacit agreement that the project would go ahead." But as data began to trickle in, AID's enthusiasm began to wane. Pichis-Palcazu is a highland area with steep slopes and acidic soils typical of tropical virgin forests. It is also the homeland of more than 6000 Amuesha and Campa Indians. These indigenous peoples and their land are protected by Peruvian law-but the land titles for much of the area have never been formalised. And the building of roads into the area would undoubtedly create a land-grab by speculators that would spark conflict over ownership as well as inflating land prices, according to experts who have studied the area.

In March 1981 a sociologist, hired with some of the \$235,000 that AID gave for studying the project, returned from the Selva with a report that called for a different approach to developing the culturally and ecologically delicate highlands.

The report, prepared by Charlotte Miller of the US Department of Agriculture and Peruvian anthropologist Hector Martinez, concluded that the area has very limited potential for colonisation. The high altitude land is already substantially populated by the indigenous tribes; a wealthy, land-owning class of expatriate Germans; and a middle class mostly of western Andean descent. "The project should de-emphasise the colonisation component and emphasise development projects and activities for the current residents," the report concluded.

Miller's report confirmed doubts that had been raised by several environmental and human rights organizations: that the original plan - a major road through both valleys and the establishment of permanent, large-scale grain crops would destroy the area. Survival International, an organization based in London dedicated to "advance the human rights of indigenous peoples", was one that urged AID to redesign the project away from colonisation and development.

* Copyright New Scientist, June 18, 1981

Members of Congress brought more effective pressure. Congressmen Don Bonker and Michael Barnes, the chairmen of the Human Rights Committee and the South and Central America Committee, also wrote to AID. On 25 February they told the agency's acting director, Joseph Wheeler, that, besides the threat posed to the native peoples, such jungle projects rarely work. The reason is the poor quality of the soil, compounded by the steep slopes. Nigel Smith, author of two books on Amazon Basin ecology, noted: "The batting average for tropical development projects is very bad."

Bonker and Barnes wanted AID to back off from what they feared might become a bottomless pit for federal money. "In view of the rugged terrain," they wrote, "extensive uncontrolled forest clearing on the hillsides will lead to siltation of rivers and increase the likelihood of flooding. The ultimate effects are obvious: productivity will decline, and additional investments will be required to assure the project's viability." They urged AID to make a more detailed study of the project before any money changed hands. By the middle of March, officials at AID began to realise that they had jumped the gun in backing the Selva development. But rather than dropping the project entirely, AID officials decided that as Peru would probably go ahead with the project with or without American help, the agency should stay involved to use whatever moderating influence it could.

"They obviously are going east of the [Andean] mountains whether we like it or not," said Richard Weber, head of AID's South American division. "The question is, how do we contribute to a process that is going on anyway? How do we moderate the process?" Instead of drawing lines where roads will intersect the Selva, AID is now preparing to send 11 ecologists, anthropologists, soil scientists and other tropical experts to study the area in depth. The agency is setting aside more money for environmental studies, and will not decide whether to provide the balance of the \$22 million for another six months.

AID is particularly anxious for the ownership of the land to be settled before development begins. The agency also wants to avoid a repeat of the fiasco over the Upper Huallaga Project 20 years ago. AID funded the development of this highland forest area in northern Peru as a new agricultural base. Instead it evolved into one of the world's most prolific producers of coca, and its product cocaine.

The only reason that the Pichis-Palcazu project is still on AID's books at all is some recent lobbying by the agency's mission in Lima. The agency's new director, Peter McPherson, had served as a Peace Corps volunteer in Peru, one source said, and "has a prejudice against jungle development projects", having seen the failures of the past. Sources at AID said that McPherson first rejected the project completely, but after talks with mission staff, reluctantly agreed to study a more moderate development scheme. Meanwhile, the project has been renamed the "Central Selva Natural Resources Management Project", with the emphasis on conserving resources rather than colonisation.

Belaunde's close ties with the US and the relative calm with which his government is running the country have kept the project afloat. Weber said: "Obviously, the State Department is urging...that we should be as forthcoming as possible in helping the Peruvian government."

APPENDIX I

DEVELOPMENT PLANNING IN PERU'S
AMAZON - THE PALCAZU*

In May, the Peruvian Prime Minister and Minister of Finance, Dr. Manuel Ulloa, presented a package of proposed projects to representatives of international commercial banks and multi- and bilateral lending institutions gathered in Paris. These projects, representing a total US \$8 billion, will require at least US \$4.6 billion from external sources. The largest investments are planned for projects to develop Peru's mining, petroleum, and hydroelectric potential. The second priority is the development of Peru's eastern lowlands. The Belaunde government plans to invest about US \$850 million in roads, colonization, and rural development. This represents 72 percent of the total investments in the agricultural/rural development sector.

The target areas in the eastern lowlands are the Pichis-Palcazu (US \$235.1 million), Oxapampa (including Satipo, Tambo, and Ene; US \$110.7 million), Alto Mayo (US \$40 million), Jaen-Bagua-San Ignacio (US \$59.1 million), Alto Huallaga (US \$180 million), Huallaga Central (US \$164 million), and Forestry Development (US \$46 million). The government recently announced in Lima that the Madre de Dios and the Marañon-Ecuador border regions are targeted for similar development projects.

A Special Project Office (SPO) for each project will be established under the Prime Minister, purportedly permitting greater administrative autonomy. The USAID-supported Huallaga Central Project was the first to be administered in this way. An SPO was established for the Pichis-Palcazu Project in November 1980; others are expected to open soon.

Though the 1978 Native Communities Law guarantees each Indian settlement an adequate resource base, development plans for the Peruvian Amazon raise serious doubts about the government's intention to respect the rights of the region's 300,000 Indians. As many as 10,000 Aguaruna Indians will be affected by the Alto Mayo, Jaen-Bagua-San Ignacio, and border area projects; as many as 20,000 Campa, Amuesha, and Cashibo Indians will be affected by the Pichis-Palcazu, and Oxapampa projects, and perhaps 4,000 Amarakaeri, Sapiteri, Huachipaeri, Ese'ejja, and Amahuaca will be affected by the Madre de Dios project.

To date, the Peruvian government has focused most of its attention on the Pichis-Palcazu Project, for which almost a quarter billion (US \$) will be invested in roads, colonization, and forestry development. Only USAID has made any firm financial commitment, about US \$6.5 million in AID and PL480 (Food for Peace) funds for preliminary studies, administrative costs, and initial road construction into the Palcazu. Thus far, the World Bank, the Interamerican Development Bank, and the Canadian government have expressed only interest.

To date, no clear development strategy or concrete project has emerged for the Pichis-Palcazu region. USAID has only recently fielded an environmental impact team to evaluate the development potential of the Palcazu valley and to provide recommendations for a project design. The team will present its findings in early October. The proposed USAID contribution of US \$22 million to the Palcazu

*First appeared in Cultural Survival Newsletter 5(3) [Summer 1981]:12-13.

Project depends to a large degree on these findings.

Meanwhile, the Peruvian government has moved ahead to create a large SPO in Lima and two regional offices, one in the Palcazu and one in the Pachitea. Four more regional offices are planned for the near future. Construction is proceeding on the San Alejandro-Puerto Bermudez road, apparently financed with public funds. Construction on the 115 km branch road through the Palcazu valley, begun recently, is being financed with US \$4 million of PL480 funds. The Agrarian Reform Office has agreed to prepare a plan for land demarcation and settlement of an unknown number of colonists in the Pichis-Palcazu. The Forestry Department of the National Agrarian University will prepare a plan for forestry and lumber development for the same region.

Three key problems have surfaced concerning the Palcazu project. They are the classification of the land in the area, the construction of the road and its impact, and the determination of Indian lands and resources.

LAND USE POTENTIAL

A recent critique of the Pichis-Palcazu project (Tello 1981; COPAL 1981) shows that in the past ten years six radically different sets of land classification figures have been made public by the Peruvian government, four of these within the past eight months. For the Palcazu, the total usable surface area has varied from as little as 50,000 hectares to as much as 190,000 hectares, depending, according to the author, on different political exigencies.

The most detailed land potential study was finished in 1980 by the government's own Office for Evaluating Natural Resources (ONERN). This study has not yet been made public. The results show that for the Palcazu valley, only 82,237 hectares are suitable for agricultural or forestry activities, a small decrease of 12,000 hectares from a less detailed ONERN study of 1970. The land use experts on the USAID evaluation team are even more skeptical; they question the land use potential given to various soils, suggesting that ONERN may have upgraded the entire soils suitability classification, and thus increased the land use potential for the Palcazu valley by as much as 35,000 hectares. In July of this year, a draft of the ONERN study was changed to upgrade 11,500 hectares of land from class C (for permanent cover crops) to class A (for annual crops). This represented a 400% increase in class A lands, from the previous estimate of 4500 hectares.

Critics argue that the Belaunde government, in its efforts to attract external funding, is manipulating the results of these studies to project an optimistic outlook for colonization and development in the valley. The present government could perhaps gain immediate political profits from having colonized a jungle region, but succeeding administrations would be faced with the social, economic, and environmental disasters which would result.

PENETRATION ROAD

The 115 km branch road through the Palcazu valley will serve an additional 80 kilometers of feeder roads. According to a study completed in June, three criteria were used for selecting the final route: 1) skirting Indian communities in order to avoid colonist-Indian conflicts; 2) incorporating new lands suitable

for agriculture and for colonization; and 3) maintaining distance from the Palcazu River to preserve it as a separate transportation route.

Yet the route proposed in June 1981 directly violates at least two of these criteria. It will bisect seven of the ten Indian communities located on the valley floor. According to ONERN land classification, the route will incorporate areas containing some of the poorest soils in the valley. In fact it will run through a fragile area which would encourage illicit lumbering and settlement. All agree this mountainous area must be protected from any development.

Finally, the proposed route crosses the headwaters of the major tributaries of the Palcazu River, necessitating a large number of bridges, and thus higher initial as well as long-term costs. For example, instead of one bridge across the Chuchurras River, the proposed route will require six bridges to cross the different affluents which form the Chuchurras River. Current estimates for the road cost are about US \$400,000 per mile.

Nevertheless, the SPO has already begun construction of the first 18 kilometers of the Palcazu road. Officials expect this section, which will bisect four Indian communities (three of which have untitled lands) to be completed by the end of this year. Road building in the area, before implementing or even *having* a plan to control spontaneous settlement or lumbering will threaten the project's resource management goals and encourage a rapid and chaotic exploitation of the valley's limited resources, insuring a future fraught with social conflict.

INDIAN LANDS AND RESOURCES

In a recent meeting with Amuesha and Campa leaders, Nils Ericsson, Peru's Minister of Agriculture, argued that Indian community structure was an impediment to Peru's Indian population which prevents them from benefitting from the national market economy. He indicated that the government would support initiatives to redistribute communally held land to individual Indian families. He informed the delegation that Indians living on untitled lands might be relocated in communities with titled land. Either action threatens the cohesiveness of Amuesha communities. His statements were met with an outcry from several local Indian organizations and from international support groups. In response, the SPO claimed that the "issue of Indian land titles was being exaggerated by groups politically opposed to the current regime." The report said that the SPO would take such actions as necessary to neutralize that opposition.

Partially in response to public outcry and to pressure from the U.S. Congress, USAID attached a land-titling condition to their funding commitment. Shortly thereafter, the SPO signed an agreement with the Office of Rural Cadaster and the Agrarian Reform Office to settle the question of land tenancy for the present population of the Palcazu valley.

During a recent meeting of the Amuesha Congress, the SPO Director secured the voluntary cooperation of the Amuesha communities to clear a swath of forest along their boundary lines and circles with 30 yard diameters at each transect point. The technical staff will use these clearings to locate community boundaries on air photographs which are to be taken in November 1981. This will provide titled land, but a very limited amount of it.

Since 1976, all Amuesha communities in the valley have petitioned for title to additional land needed to create a continuous territory of about 60,000 hectares. Current titled holdings include less than 30,000 hectares for over 3,000 people. The most recent petition was presented to the Minister of Agriculture and to the SPO in February 1981.

In July, the SPO made it clear that the Indian communities would not receive more land despite the fact that there are contiguous, unsettled state-owned lands. State-owned lands are to be reserved for colonists. The Director justified this policy saying that Peru's tribal peoples must be incorporated into the market economy. Additional land grants to the Amuesha, he argued, would only encourage them to continue their primitive nomadism and subsistence agriculture.

Such arguments have little basis in reality. The Amuesha are currently the major food producers in the valley. They own and operate the largest rice mill. They own 20 percent of the cattle in the area. Recent studies, however, demonstrate shortages of land suitable for agriculture and commercial lumbering in most communities. Loma Linda, one of the largest communities, has less than 2 hectares of agricultural land per person. Government studies show that a family needs about 20 hectares to reasonably support itself in the area. Thus even with the current population it will be impossible to sustain commercial agriculture without quickly depleting the soils.

If the population continues to grow at the current rate (natural population growth plus immigration from communities outside the valley), it may double in as little as ten years. At that point the agricultural lands would be exhausted from overuse, and much of the forest, designated for protection, would be cleared for agriculture. Indians and poor colonists without adequate land will be obliged to work on the neighboring cattle ranches and in the lumber industry.

These are the real terms of incorporation of the Indians into the market economy. To deny the Amuesha access to an adequate land and resource base at this critical moment is to deny them the possibility of any autonomy over their economic development. To do that would deny them any possibility of determining their participation in the market economy on an equal and competitive basis.

The USAID evaluation team will present its recommendations for the Palcazu valley by 15 October. They will emphasize conservation and careful management of scarce resources. They will de-emphasize large-scale commercial agriculture and colonization. If USAID accepts recommendations, they must begin difficult negotiations with the Peruvian government, already committed to large-scale colonization. At stake is US \$22 million in development funds for Belaunde and an open door to multinational mineral and petroleum investments. The stakes are high, but so is the risk of a social and ecological disaster in the Pichis-Palcazu.

APPENDIX J

SURVIVAL INTERNATIONAL U.S.A.
2121 Decatur Place, N.W.
Washington, D.C. 20008

November 2, 1981

CENTRAL SELVA RESOURCE MANAGEMENT PROJECT (PERU)

Mr. M. Peter McPherson
Administrator
Agency for International Development
Department of State
Washington, D.C. 20520

Dear Mr. McPherson,

Thank you for your reply of June 18th to our letter of June 1st about the Resource Management Project for the Palcazu valley in Peru. In view of our concern for the welfare of the people and the protection of the environment and natural resources of the Palcazu, we appreciate your having taken note of our comments and your informing us that consideration of the matter was still in a preliminary stage.

We understand that the work of your Project Design Assessment mission is now complete, that the findings and conclusions of this mission are, by now, in your hands, and that within the week your recommendations will be presented by AID representatives to President Belaunde.

At this point we would like to add the following observations to the comments in our letter of June 1st.

The patient, serious and unprecedentedly complete studies undertaken by AID in connection with its consideration of this loan request have made the Palcazu river valley one of the most studied and best known areas of the entire Ceja de Selva region in Peru. You now have a unique opportunity to enormously and definitively enhance AID's reputation in the field of tropical rural development by endorsing these conclusions in your recommendations to President Belaunde.

The studies carried out have established that the area is environmentally fragile and has little or no potential for development. This is on account of the poor soils, the poor quality of the local forests, the high rainfall and the steep profiles of the terrain. The study shows, moreover, that given these limitations the area is already fully populated if not, in fact, over-populated. Only some 6% of the area, we understand, would ever be suitable for the culti-

vation of annual crops and the practice of cattle-raising is already causing environmental degradation within the valley. The problems thus faced by the present inhabitants will be especially severe for the Amuesha Indian communities.

A further problem for the inhabitants of the valley, Amuesha Indians and others, is that many of them still do not have legal title to the lands which they rightfully occupy.

In the case of the Amuesha, the studies carried out have confirmed that even where lands have already been titled to their communities, or demarcated but not yet titled, these lands are not sufficient for their needs. If a satisfactory livelihood is to be guaranteed for this Indian population, these communities require adequate areas of agricultural land as well as access to areas of forest for plant and animal food and a wide range of essential raw materials.

As regards the percentage of required agricultural land which they already possess and the areas of additional forest land which would have to be provided, we understand that the situation of the several native communities is as follows:

	%age of required agricultural land	additional forest land required
1. 7 de Junio	100%	9,000 ha.
2. Sta. Rosa Chuchurras	87%	1,200 ha.
3. Buenos Aires	54%	3,000 ha.
4. Alto Iscozacin	58%	1,500 ha.
5. Shiringamazu	38%	3,500 ha.
6. Loma Linda/P. Laguna	24%	8,000 ha.
7. Sta. Rosa Pichanas	23%	1,000 ha.
8. San Pedro Pichanas	23%	4,000 ha.
9. Alto Lagarto	20%	1,500 ha.
10. Nueva Esperanza	--	5,500 ha.
11. Machca Bocaz	--	3,000 ha.
12. Yuncullmas-Puellas	--	5,000 ha.
13. Union Cacazu	--	4,000 ha.

In the case of five of these 14 communities the inhabitants still do not have title to their lands. These are: Loma Linda; Puerto Laguna; Santa Rosa Pichanas; Nueva Esperanza; and Machca Bocaz. Only four of the 14 communities, then, have even half as much land as they will require if their people are to survive.

As you must know, one of the responses of the Peruvian Special Project staff to these facts (which they accept as accurate) was to suggest "urbanizing" the Amuesha as a solution to their problems. This is an alarming suggestion given that one reason for President Belaunde's original ambition to settle 150,000 colonists in the Project area was the need to alleviate the problems of unemployment and over-population in Lima and other cities of Peru. We trust that you will not allow AID to be party to any such "solution" with its familiar consequences of poverty, prostitution, begging and crime for the Indian populations who are dispossessed and relocated in the slums and shanty-towns of the cities of Latin America. The only economical solution to the problems which the Amuesha

undoubtedly face is to guarantee them their livelihood on the lands which they occupy now. As indicated above, the area and thus the productive potential of these lands will have to be increased in most cases so as to provide economically viable units of land permitting the practice of non-predatory, sustained-yield agriculture and forestry.

The construction of the penetration road from Pichanas to Puerto Mairo continues to be a matter of especial concern. The studies carried out have established that the southern end of the Palcazu valley, where construction of the road is already under way, is the most environmentally fragile part of the entire area. It is also the part of the valley where three of the five untitled Native Communities are located. The construction of this road coupled with the insistent publicizing of plans for colonization and development of this area will inevitably generate some degree of spontaneous colonization. The consequences of this situation, and they have been predicted for a long time now, will be destruction of the environment and natural resources of the head of the valley and invasion of Indian lands with disruption of the lives and livelihood of the native communities. We also understand that construction of the road, beyond the initial 18 km already funded, would not in any case be an economically sound investment.

The Project Assessment team has proposed to you an alternative which, if properly managed, could prove to be advantageous for the inhabitants of the valley. This would involve construction of an access road (not a through road) from the northern, and environmentally more robust, end of the valley to go no further than Iscozacín. This alternative would probably be less harmful to the environment and, if well designed and preceded by the indispensable titling of lands to their present occupants, could, in combination with river transportation between Loma Linda and Iscozacín, be of considerable benefit to the population of the valley. The five Indian communities of the head of the valley would presumably be able to make use of the existing road to Pichanas. We urge you to consider this alternative to the present entirely harmful penetration road project.

Since the road is, at present, being built with PL 480 funds which were allocated for this purpose by the Grant Agreement of September 27, 1980, signed between AID and the Peruvian government, we feel that AID cannot entirely disclaim some measure of responsibility for the course of events. It would certainly be considerably to AID's credit if you could find some way to influence and alter the unfortunate use which is being made of these funds. We do hope that you will be able to give this matter your careful attention and we look forward to hearing from you whatever you are able to achieve in this regard.

We hope most sincerely that considerations other than protection of the environment and of the welfare of the local inhabitants will not require a recommendation which, while it might conceivably serve President Belaunde's immediate political goals, would be harmful to the environment, the natural resources, and the people of the Palcazu valley and thus, ultimately, of no benefit at all to the people of the Peruvian nation as a whole.

Copies of this letter are being sent to interested congressmen, organizations and individuals.

Sincerely yours,

Laurence R. Birns
Director
Council of Hemispheric Affairs

Martha L. Baker
Director, Washington Office
Survival International (U.S.A.)

APPENDIX K

PERUVIAN JUNGLE PROJECT GOES ON DESPITE WARNINGS*

The Peruvian government is pushing ahead with its jungle development program, in spite of sharp cuts in this year's overall investment program, and of warnings from ecologists, anthropologists and USAID officials that Peru could be repeating most of the mistakes made in connection with Brazil's transamazonian highway in the 1970's (RA-81-06).

For President Belaúnde, the four tropical rain forest development zones - San Ignacio-Bagua, Alto Mayo and Huallaga, Pichis-Palcazu in the central jungle, and Madre de Dios in the south - constitute the traditional Latin American answer to demographic and food supply problems. In the same euphoric language used by the Brazilians ten years earlier, Belaúnde regales visitors with the idea that 'the future of the country lies in the jungle'.

In the short term, most attention is being paid to the 3m ha pilot project in the central jungle called Pichis-Palcazu, two tributaries of the Ucayali, which flows into the Amazon. The area is to be colonised, with different types of agriculture or cattle-raising. A new city is to be built called, at Belaúnde's request, Constitución.

According to a project official, over US \$150m has already been spent on the project, and road construction associated with it. Loans currently committed include US \$15m from USAID for the Palcazu valley; a further US \$50m from the Inter-American Development Bank (IDB) for Pichis, and a 30-year, 2 per cent interest US \$10m loan from West Germany.

Some of the weightiest criticisms of the project, as Belaúnde conceives it, have come from USAID. Their environmental studies show that the Pichis-Palcazu area is not unpopulated. Including the nearby Villa Rica and Oxapampa districts, there are approximately 50,000 inhabitants. The native Indians alone total over 10,000. This means that the official promises of settling over 100,000 colonists in the area are quite unrealistic, as well as alarming to anthropologists, ecologists, and such organisations as Survival International (SI).

USAID also disagreed with the government about the fertility of the soils. As in Brazil, soil quality is poor. An expert at the Agrarian University in Lima says that at most 5 per cent of the 75m ha of the Peruvian Amazon are suitable for open agriculture. Another 20 per cent could be used for rotational forestry/agriculture, and 40 per cent for ordinary forestry. The rest is not productive, and ought to be set aside as protected areas.

These criticisms have led to a more realistic approach by the technical staff running the project. Plans to colonise now foresee that it will take to at least the year 2000 before 100,000 people can be settled in the area, including the 20,000 future inhabitants of Constitución. As large a part of the forest as possible will be saved, and a system of rotational agro-forestry production will be made a priority. In some parts, the colonists will be exclusively foresters.

* LATIN AMERICA REGIONAL REPORT ANDEAN GROUP, 14 May 1982 (all rights reserved.)

The 60 or more Indian communities in the region are to receive 'assistance in improving their standard of living'. In other words, production is to be better oriented towards the market. Anthropologists say this will bring their traditional way of life to a quick end.

Colonists are not to receive landtitles, but 'certificates of occupation', which may be withdrawn if the land is not cultivated. Credit will be tied to a certain type of production, in order to avoid misuse of land. Spontaneous migrants will be stopped, and illegal tree-felling will be brought under control by the creation of a forestry division of the Civil Guard.

An effort will also be made to deal with the negative ecological effects of previous settlement. Already there are large tracts of land, especially along river banks, severely affected by erosion. One of the most heavily-eroded districts, Oxapampa, will receive funds for reforestation.

Even within this more technical framework, the dangers of the 'model' project failing are enormous, according to a professor at a Lima university. He says the government will not be able to control the wave of spontaneous migrants, any more than in Brazil, where only one in four settlers was planned. This, and the impact on the Indians' way of life, will lead to severe social tensions.

The area will come under increasing pressure from transnationals interested in reserving vast tracts of territory. Should oil companies turn their attention to obtaining energy from timber, for instance, 'the Amazon would be gone in 30 years.' Already, according to the same source, floods in Brazil can be attributed to deforestation in Peru, Colombia and Ecuador. Uncontrolled felling also caused this year a serious landslide in Uchiza, in the Central Huallaga project area.

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