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Peru's Deadly Battle Over Oil in the Amazon

By Lucien Chauvin / Lima

Peruvian President Alan Garcia is furious. His plans to open huge parts of the country's Amazon jungle to foreign investors are crumbling and the woman he was grooming to lead the Cabinet is politically wounded, a casualty of violent protests by indigenous people in the northern jungle last weekend.

According to the official count, 32 people — 23 police officers and nine protesters — were killed June 5 when long-running demonstrations by indigenous people against oil development spun out of control. Hundreds more were injured and arrested. The violence was unleashed when police officers received word from Lima, the capital, to remove the protesters who were blocking a highway and the nearby pumping station on the northern pipeline. The officers moved in with tear gas and automatic weapons. The protesters were mainly armed with spears, but some had guns. Fighting along the tragically named Devil's Curve took 20 lives, while 12 police officers were killed at the pumping station. The stretch of highway around 500 miles north of Lima in Amazonas state has now been cleared of demonstrators but the indigenous protests, which entered its third full month June 9, are not over and the political fallout for Garcia and his government is just beginning. ([Read a story about the Peruvian Amazon region, which covers close to two-thirds of the country.](#))

One Cabinet member, Women's Issues and Social Development Minister Carmen Vildoso, quit June 8 to protest the government's response and there is building pressure for the resignation of Cabinet Chief Yehude Simon and Interior Minister Mercedes Cabanillas, whose office oversees the National Police. Even the normally staid daily *El Comercio*, dean of Peru's press, called for both ministers to quit. ([Read about the political troubles of Peru's Alan Garcia.](#))

Cabanillas, a key member of Garcia's APRA party and its presidential candidate in 1995, is routinely referred to at the Peruvian Margaret Thatcher for her tough stands. Administration sources say that she was the president's pick to become chief of staff in July, when Garcia starts the fourth year of a five-year term that ends in July 2011. That is now politically untenable. The ministers have claimed so far that they have no intention of stepping down and the administration, while saying it wants dialogue to end the tension, maintains that it will not modify the series of laws that sparked the protests. The president, addressing a military ceremony over the weekend, said he had no intention of backpedaling, claiming that there was "a conspiracy afoot to keep Peru from using its natural riches." ([Read a story about the ecological perils of oil development in the Amazon rain forest.](#))

At the same event, Garcia shouted that protesters were ignorant: he used the word two more times in the speech in case anyone missed it the first time. The right-wing conservative hinted loudly that the left wing governments of Venezuela (under Hugo Chavez) and Bolivia (under Evo Morales) were somehow behind the protests and financing the conspiracy. He demanded that Peruvians defend the progress he said his government was making to modernize the country.

Indigenous leaders say they too have no intentions of quitting the fight. However, they are going to have to move forward without Alberto Pizango, the president of their umbrella group, AIDASEP, who requested political asylum June 8 at the Nicaraguan Embassy in Lima after the government ordered his arrest.

The heart of the crisis stretches back a year, when the Garcia government, using special powers granted it by Congress, passed nearly 100 legislative decrees to facilitate implementation of a free-trade agreement with the United States. The agreement came into force this past February. Indigenous communities, under AIDASEP, objected to a number of decrees that dealt with water and land rights. They argued that the decrees would not only increase the number of oil and logging concessions already granted in the country's 67 million hectares (165 million acres) of rain forest, but allow for the actual sale of their ancestral territories.

A first round of jungle protests was called in August of last year and Congress, recognizing that the administration had overstepped its bounds, repealed two laws that made it much easier for community lands to be sold. Congress promised to examine and vote on repealing other laws, primarily a new Forestry and Wildlife Law. That never happened and AIDASEP, representing the bulk of Peru's 500,000 indigenous people, resumed the jungle protest April 9.

The new round of protests were low-key in the beginning, but tensions increased as the weeks passed. Indigenous demonstrators began blocking roads and rivers, as well as the northern oil pipeline. The pipeline was closed in late April and the state oil company announced it was losing nearly \$120,000 daily. Oil fields in the northern jungle were closed in early June. This was, apparently, one of the reasons that led to the fatal decision to order police officers to open roads and the remove protesters from the pipeline. Garcia has been talking about making Peru an oil and gas superpower since taking office in 2006 and the protests were ruining that plan. The country is currently in the middle of a commodities-led boom, even as most of the rest of the world is in recession.

Of 91 oil and gas concessions currently on the books, many approved during Garcia's term, 59 are in the jungle. They cover around 40 million hectares. The government claims that around 6 billion barrels of oil are just waiting to be found under the Amazon. Investment in exploration will top \$1 billion this year, something the administration does not want to lose to protests. "This government wants to occupy the Amazon with concessions as if no one lived there, but it has come up against indigenous resistance," says La Torre. "What is needed now is a plan to stop the bloodshed and make sure the martyrs on both sides did not die for nothing."

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