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SUBJECT: A/S ARONSON'S MARCH 12, 1992 TESTIMONY

1. FOLLOWING IS A/S ARONSON'S MARCH 12, 1992 TESTIMONY ON  
SENDERO LUMINOSO TO THE HOUSE WESTERN HEMISPHERE  
SUBCOMMITTEE:

2. BEGIN TEXT.

STATEMENT OF BERNARD W. ARONSON  
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ASSISTANT SECRETARY OF STATE FOR INTER-AMERICAN AFFAIRS  
BEFORE THE SUBCOMMITTEE ON WESTERN HEMISPHERE AFFAIRS  
HOUSE COMMITTEE ON FOREIGN AFFAIRS

MARCH 12, 1992

- I APPRECIATE THIS OPPORTUNITY TO DISCUSS THE  
COMMUNIST PARTY OF PERU -- USUALLY KNOWN AS SENDERO  
LUMINOSO, OR SHINING PATH -- WITH YOU. I WANT TO BEGIN BY  
COMMENDING YOU, MR. CHAIRMAN, AND THE MEMBERS OF THIS  
SUBCOMMITTEE FOR DEVOTING YOUR ATTENTION TO ONE OF THE  
MOST IMPORTANT, AND LEAST DISCUSSED, ISSUES IN THIS

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UNITED STATES DEPARTMENT OF STATE  
REVIEW AUTHORITY: WILLIAM E. LANDFAIR  
DATE/CASE ID: 29 JUL 2002 S200200010

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HEMISPHERE.

- A LITTLE OVER A HALF CENTURY AGO NAZI GERMANY EXTERMINATED ONE-THIRD OF THE JEWISH POPULATION IN THE WORLD, MOTHERS, FATHERS AND CHILDREN, WHILE THE WORLD STOOD BY AND FAILED TO STOP IT. AFTER THE HOLOCAUST THE WORLD COMMUNITY VOWED "NEVER AGAIN." BUT IN THE 1970'S, IN CAMBODIA UNDER POL POT, WE SAW GENOCIDE REPEATED. WE NEED TO LEARN THAT LESSON AND NEVER REPEAT IT AGAIN.

- WE WELCOME THESE HEARINGS, AND ASKED THAT YOU HOLD THEM, TO STIMULATE PUBLIC DISCUSSION ABOUT AN IMPORTANT POLICY ISSUE. THE CONGRESSIONAL FOREIGN AFFAIRS COMMITTEES HAVE A LONG TRADITION OF FOSTERING PUBLIC DISCUSSION OF DIFFICULT FOREIGN POLICY QUESTIONS. UNDER YOUR LEADERSHIP, MR. CHAIRMAN, THIS SUBCOMMITTEE HAS FOCUSED PUBLIC ATTENTION ON KEY QUESTIONS CONCERNING U.S. INTERESTS IN THIS HEMISPHERE. IT IS IN THAT SPIRIT THAT I ASKED THE OPPORTUNITY TO TESTIFY.

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- WHAT I WOULD LIKE TO DO IS BEGIN A DIALOGUE WITH THE CONGRESS ABOUT WHAT NEEDS TO BE DONE IN PERU. AND I HOPE THIS HEARING GENERATES WIDER PUBLIC DEBATE HERE AND ABROAD ON WHAT CAN BE DONE TO STRENGTHEN A DEMOCRATIC GOVERNMENT THAT IS CONFRONTING THIS HEMISPHERE'S MOST BRUTAL INSURGENCY.

- SENDERO LUMINOSO IS UNLIKE ANY OTHER INSURGENT OR TERRORIST GROUP THAT HAS EVER OPERATED IN LATIN AMERICA. PUT OUT OF YOUR MIND THE FMLN OF EL SALVADOR WHICH JUST SIGNED A PEACE AGREEMENT, THE SANDINISTAS IN NICARAGUA WHO ALLOWED THEMSELVES TO BE VOTED OUT OF OFFICE, THE M-19 OF COLOMBIA AND OTHER SOUTH AMERICAN INSURGENCIAS THAT HAVE ENDED THEIR VIOLENT STRUGGLE TO TAKE ADVANTAGE OF THE POLITICAL SPACE OPEN TO THE PEACEFUL, DEMOCRATIC LEFT.

- SENDERO LUMINOSO IS IN A CATEGORY BY ITSELF.

- THERE ARE OTHER COMMUNIST INSURGENCIAS, BUT ONLY SENDERO SAW THE FALL OF EASTERN EUROPEAN COMMUNIST GOVERNMENTS AS A POSITIVE STEP WHERE THE PEOPLE OVERTHREW DECADENT, BOURGEOIS COMMUNISM TO MAKE WAY FOR PURE COMMUNISM; SENDERO BOMBED THE NORTH KOREAN COMMERCIAL OFFICE IN LIMA AND BELIEVES FIDEL CASTRO IS A U.S.

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LACKEY. LATIN AMERICA HAS SEEN VIOLENCE AND TERROR, BUT NONE LIKE SENDERO'S, WHERE CHILDREN ARE FORCED TO COMMIT ACTS OF BRUTALITY AS PART OF THEIR INDOCTRINATION, WHERE ENTIRE TOWNS ARE FORCED TO WITNESS THE SO-CALLED TRIAL, TORTURE AND KILLING OF NUNS OR MUNICIPAL LEADERS. LATIN AMERICA HAS SEEN MANY VARIATIONS OF THE MARXIST VISION,  
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BUT NONE SO SWEEPING AS SENDERO'S WAR AGAINST "WESTERN CULTURE." A SENDERO VICTORY WOULD COMPARE NOT TO CUBA UNDER CASTRO OR NICARAGUA UNDER THE SANDINISTAS, BUT TO CAMBODIA UNDER POL POT.

- IN THE WORDS OF ABIMAEEL GUZMAN, "WE START FROM A PRINCIPLE ESTABLISHED BY CHAIRMAN MAO: VIOLENCE IS A UNIVERSAL LAW WITH NO EXCEPTION...WITHOUT REVOLUTIONARY VIOLENCE WE CANNOT REPLACE ONE CLASS FOR ANOTHER..." THE REVOLUTION WILL TRIUMPH, ACCORDING TO GUZMAN, AFTER THE PERUVIAN PEOPLE "CROSS OVER THE RIVER OF BLOOD" TO THE OTHER SIDE.

- MAKE NO MISTAKE: IF SENDERO WERE TO TAKE POWER, WE WOULD SEE THIS CENTURY'S THIRD GENOCIDE. LUIS ARCE BORJA, SENDERO'S REPRESENTATIVE IN EUROPE, TOLD A LIMA NEWSPAPER LAST NOVEMBER THAT THE CURRENT STAGE OF THE WAR -- "STRATEGIC EQUILIBRIUM" -- WILL COST ONE MILLION PERUVIAN LIVES.

- SENDERO BEGAN ITS ARMED CAMPAIGN IN 1981 JUST AS PERU RETURNED TO DEMOCRATIC GOVERNMENT. IT IS A MOVEMENT OF THE "UNRECONSTRUCTED" PERUVIAN LEFT BORN IN PROTEST AGAINST PERU'S RETURN TO DEMOCRACY. WHEN MOST OF PERU'S LEFT DECIDED TO RE-ENTER THE DEMOCRATIC PROCESS, A SMALL, FRINGE, UNIVERSITY-BASED MARXIST ELITE CRIED "TREASON" AND EVOLVED INTO SENDERO LUMINOSO.

- ITS FOUNDERS, ESPECIALLY THE UNDISPUTED LEADER ABIMAEEL GUZMAN, THE SO-CALLED "PRESIDENTE GONZALO," WERE DEEPLY INFLUENCED BY CHINESE COMMUNISM DURING THE CULTURAL  
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REVOLUTION AND BROUGHT A STRONG MAOIST ORIENTATION TO SENDERO; HENCE THE STRATEGY OF A RURAL, PEASANT-BASED MOVEMENT THAT HOPES TO CAPTURE THE CITIES AS ITS FINAL OBJECTIVE.

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- SENDERO TAKES ADVANTAGE OF TWO FACTORS UNIQUE TO PERU. IN ITS IDEOLOGY, IT PLAYS ON THE SHARP DIVISION OF PERUVIAN SOCIETY BETWEEN WHITE DESCENDANTS OF THE SPANIARDS, THE MESTIZOS AND THE RURAL INDIGENOUS INDIAN POPULATION, MUCH OF WHICH SPEAKS ONLY QUECHUA, THE LANGUAGE OF THE INCAS. IN ITS FINANCES, IT PROFITS FROM PERU'S KEY ROLE IN COCAINE PRODUCTION. WE DO NOT BELIEVE THAT SENDERO RECEIVES SIGNIFICANT MATERIAL OR FINANCIAL SUPPORT FROM FOREIGN GOVERNMENTS OR REVOLUTIONARY MOVEMENTS, BUT IT DOES RAISE FUNDS FROM GULLIBLE PUBLICS IN EUROPE.

- ROUGHLY ESTIMATED, WE BELIEVE SENDERO HAS 3000-5000 FULL-TIME ARMED FIGHTERS AND UP TO TWICE THAT MANY PART-TIME MILITIA. INCLUDING POLITICAL CADRE OF VARIOUS TYPES, SENDERO MAY BE ABLE TO COUNT ON AS MANY AS 25,000 SUPPORTERS. IN ADDITION, 15-20 PERCENT OF PERU'S POPULATION LIVES IN "PINK" OR "RED" ZONES UNDER SIGNIFICANT OR PREDOMINANT SENDERO INFLUENCE. SOME OF THESE CITIZENS PROVIDE SUPPORT OUT OF INTIMIDATION AND FEAR.

- IN RESPONSE TO THE COMBINED THREAT OF SENDERO AND THE TUPAC AMARU (MRTA) GUERRILLAS, ABOUT ONE THIRD OF PERU'S 183 PROVINCES AND NEARLY HALF OF ITS PEOPLE HALF BEEN PLACED UNDER "EMERGENCY ZONES" WHERE CIVILIAN RULE IS  
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SUSPENDED, THE THE LOCAL MILITARY COMMANDER IS EFFECTIVELY IN CHARGE OF GOVERNMENT AND SECURITY.

- SENDERO KNOWS THAT IN THE PAST TWO DECADES, THE EXPANSION OF PARTICIPATORY DEMOCRACY IN LATIN AMERICA HAS DELEGITIMIZED REVOLUTIONARY MOVEMENTS. FROM EL SALVADOR TO CHILE, VIOLENT REVOLUTIONARIES LOST THEIR RAISON D'ETRE AS DEMOCRACY GREW AND CITIZENS GAINED A REAL ROLE IN GOVERNING THEIR OWN AFFAIRS.

- SENDERO'S STRATEGY, THEN, IS TO USE VIOLENCE TO DESTROY DEMOCRATIC INSTITUTIONS, TO STOP CITIZENS FROM PARTICIPATING IN LOCAL GOVERNMENT, TO DESTROY THE FUNCTIONING ECONOMY AND TO CRIPPLE PROGRAMS WHICH PROVIDE AID AND SERVICES TO THE POPULATION. THIS FORM OF TERROR OFTEN SUCCEEDS. MAYORS AND MUNICIPAL LEADERS REFUSE TO RUN -- OR TAKE OFFICE -- BECAUSE NOT ONLY WILL THEY BE TARGETED BY SENDERO, BUT THEIR FAMILIES AND THE ENTIRE

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COMMUNITY WILL BE SUBJECT TO SENDERO'S TERROR. SENDERO'S INTIMIDATION CAUSED A ROUND OF MUNICIPAL ELECTIONS SCHEDULED FOR 1989 TO BE DELAYED UNTIL 1991. WHEN THE BALLOTING WAS HELD LAST AUGUST, GUERRILLA INTIMIDATION PREVENTED CANDIDATES FROM RUNNING IN 104 TOWNS. OVERALL, ELECTIONS HAD TO BE ANNULLED IN 220 OUT OF 498 JURISDICTIONS BECAUSE EITHER NO CANDIDATE RAN, THE WINNER RESIGNED AFTER BEING ELECTED, OR TOO FEW PEOPLE CAST BALLOTS.

- IN SENDERO'S MIND, ANY PERUVIAN OR ANY FOREIGNER WHO TAKES UP THE DEMOCRATIC CAUSE, TRIES TO EASE HUMAN SUFFERING, OR RESISTS TERRORIST THREATS IS HAMPERING THE  
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DEVELOPMENT OF REVOLUTIONARY CONSCIOUSNESS AND DELAYING THE DAY WHEN THE PEOPLE WILL TURN TO ARMED REVOLT. THAT MAKES THEM TARGETS FOR TERROR:

- O LAST MAY 18, SENDERO TERRORISTS PUBLICLY SHOT TO DEATH AUSTRALIAN NUN SISTER IRENE MCCORMICK OF THE CATHOLIC RELIEF ORGANIZATION "CARITAS," WHO WORKED TO HELP THE POOREST OF PERU'S POOR IN JUNIN DEPARTMENT. HER BODY WAS LEFT LYING WHERE IT FELL FOR 24 HOURS ON ORDERS FROM SENDERO.
- O SENDERO HAS BOMBED CATHOLIC AND BAPTIST CHURCHES AND MURDERED RELIGIOUS WORKERS. ON AUGUST 22, 1990, SENDERO KILLED TWO YOUNG BAPTIST MISSIONARIES IN JUNIN, ONE WITH A KNIFE THRUST THROUGH HIS NECK.
- O NORMAN TATTERSALL, A CANADIAN WORKING IN LIMA WITH THE PROTESTANT SOCIAL SERVICES ORGANIZATION "WORLD VISION," LOST HIS LIFE IN A SENDERO ATTACK LAST MAY 17, AS DID HIS COLOMBIAN ASSOCIATE JOSE CHUQUIN.
- O IN JANUARY 1990 A SENDERO GROUP, MOSTLY OF CHILDREN UNDER 16, SHOT TWO FRENCH TOURISTS THEY TOOK OFF A BUS PASSING THROUGH A RURAL AREA. THE YOUNGEST MEMBER OF THE GROUP WAS MADE TO BEAT ONE OF THE VICTIMS' SKULLS WITH A LARGE ROCK UNTIL IT WAS COMPLETELY CRUSHED.
- O TWO OTHER TOURISTS WERE TAKEN OFF A BUS, TORTURED AND SHOT IN NOVEMBER 1989. IN THIS KILLING, SENDERO SLASHED A YOUNG WOMAN'S CHEST AND STOMACH SO BADLY

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THAT IT HAD TO BE BOUND TO HOLD IN ITS INTERNAL  
ORGANS BEFORE IT COULD BE MOVED.

- O SENDERO KILLED TWO POLISH AND ONE ITALIAN PRIEST WHO  
WORKED WITH POOR CHILDREN IN ANCASH DEPARTMENT LAST  
AUGUST.
- O LAST JULY 12, SENDERO MURDERED THREE JAPANESE  
DEVELOPMENT WORKERS NEAR HUARAL. THE JAPANESE HAVE  
WITHDRAWN MOST OF THEIR AID WORKERS IN RESPONSE TO  
THIS AND OTHER ATTACKS.
- O ON FEBRUARY 15, MARIA ELENA MOYANO, VICE-MAYOR OF  
LIMA'S LARGEST SHANTY-TOWN OF VILLA EL SALVADOR, WAS  
LEAVING A NEIGHBORHOOD BARBECUE PARTY WITH HER  
FAMILY. SHE HAD MET SEN. HATFIELD AND ASSISTANT  
SECRETARY OF STATE FOR HUMAN RIGHTS RICHARD SHIFTER  
IN LIMA LAST FALL. SHE BRAVELY, VOCALLY AND  
ACTIVELY RESISTED SENDERO TERROR, EVEN AFTER THEY  
BOMBED THE LOCAL COMMUNITY FOOD WAREHOUSE. SENDERO  
ASSASSINS SHOT HER, POINT-BLANK -- THEN THREW A  
DYNAMITE CHARGE THAT SCATTERED PIECES OF HER BODY  
OVER 100 YARDS AWAY.
- O JUANA LOPEZ DIRECTED THE "GLASS OF MILK" FEEDING  
PROGRAM IN CALLAO, NORTH OF LIMA. SENDERO KILLED  
HER AND OTHERS LAST FALL IN ATTACKS AGAINST FOOD  
DISTRIBUTION AND EMERGENCY AID PROJECTS.
- O ANDRES DAVILA ARNAO ORGANIZED A LOCAL SELF-DEFENSE  
FORCE TO PROTECT HIS NEIGHBORHOOD AGAINST SENDERO  
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BRUTALITY. HE WAS KILLED FEBRUARY 17 JUST OUTSIDE  
OF LIMA.

- O A CATHOLIC PRIEST FROM THE AYACUCHO AREA TOLD OF  
RITUAL MURDERS OF PEASANTS WHO REFUSED TO COOPERATE  
WITH OR TRIED TO ESCAPE FROM SENDERO DURING ITS  
EARLY YEARS OF TERROR. AFTER A SO-CALLED "PEOPLE'S  
TRIAL," VICTIMS WERE STRIPPED AND TIED TO A POST IN  
THE TOWN SQUARE. EVERY PERSON IN THE TOWN -- MEN,  
WOMEN AND CHILDREN -- WAS FORCED TO CUT A PIECE OF

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FLESH FROM THE LIVING BODY. THE SENDERO TORTURE WENT ON FOR AS LONG AS AN HOUR BEFORE VICTIMS DIED FROM SHOCK AND LOSS OF BLOOD.

- O PERUVIAN POLICE FOUND THE BODY OF A FELLOW OFFICER IN THE SUMMER OF 1989, COMPLETELY EVISCERATED AND FILLED WITH HUMAN FECES -- SENDERO'S WORK.
- O SENDERO ASSASSINS MACHINEGUNNED THE MAYOR OF ONE SMALL TOWN, THEN SET OFF A DYNAMITE CHARGE IN HIS LAP, WHILE THEY FORCED HIS WIFE AND FOUR CHILDREN TO WATCH.
- O SENDERO'S CAMPAIGN AGAINST PERU'S ASHANINKA INDIANS IN 1990 AND 1991 WAS TERRIFYING IN ITS BRUTALITY: A 14-YEAR-OLD STRUCK IN THE HEAD WITH A MACHETE, SHOT, STABBED AND DUMPED IN A RIVER; VICTIMS DOUSED IN GASOLINE AND SET AFIRE; CHILDREN FORCED TO EAT THEIR PARENTS' TONGUES.
- O A NOVEMBER 1991 SENDERO ATTACK ON A VILLAGE NEAR  
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AYACUCHO LEFT 37 DEAD, INCLUDING 9 CHILDREN.

- O SINCE 1980, SENDERO HAS KILLED 42 PERUVIANS WORKING WITH U.S. GOVERNMENT DEVELOPMENT PROJECTS.
- ON FEBRUARY 14, SENDERO CLIMAXED A BOMBING CAMPAIGN AGAINST GOVERNMENT OFFICES, BANKS, DIPLOMATIC MISSIONS -- INCLUDING U.S. AMBASSADOR QUAINTON'S RESIDENCE, WHERE A BOMB KILLED THREE PERUVIAN POLICEMEN AND SEVERELY DAMAGED A SECURITY WALL -- AND OTHER TARGETS WITH AN "ARMED STRIKE" IN LIMA. ARMED STRIKES ARE A LONGSTANDING SENDERO TACTIC IN WHICH THE GUERRILLAS SEEK TO ENFORCE COMPLIANCE WITH THE STRIKE THROUGH WAVES OF KILLINGS AGAINST THOSE WHO DARE TO GO TO WORK. DESPITE NUMEROUS BOMBINGS IN LAST MONTH'S STRIKE, LIMA CITIZENS TRIED BRAVELY TO GO ABOUT THEIR BUSINESS.
- THIS PAST DECADE OF VIOLENCE HAS COST PERU 24,000 LIVES AND ABOUT 20 BILLION IN ECONOMIC DAMAGE -- ABOUT ONE YEAR'S GROSS NATIONAL PRODUCT.
- THE CRUCIAL QUESTION IS WHAT CAN BE DONE ABOUT THE THREAT OF SENDERO. THERE ARE NO EASY ANSWERS. BUT I

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AGREE WHOLEHEARTEDLY WITH STATEMENTS MEMBERS OF THE SUBCOMMITTEE MADE YESTERDAY: SENDERO CONFRONTS US NOT ONLY WITH A QUESTION OF GEO-POLITICAL INTEREST, BUT ALSO WITH THE DEFENSE OF FUNDAMENTAL MORAL VALUES.

- SENDERO WILL ONLY BE DEFEATED BY PERUVIANS. THERE IS NO U.S. SOLUTION TO THIS THREAT. STILL THE UNITED STATES CAN, AND MUST, HELP AND SO MUST THE DEMOCRATIC  
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COMMUNITY WORLDWIDE.

- SCOTT PALMER, WHO TESTIFIED YESTERDAY, POSED THE PROBLEM WELL. HE SAID REVOLUTIONS DON'T SUCCEED, GOVERNMENTS FAIL. THEREFORE OUR CHALLENGE IS TO HELP THE PERUVIAN GOVERNMENT SUCCEED IN ITS EXPRESSED AGENDA OF STRENGTHENING DEMOCRATIC INSTITUTIONS, REVIVING THE PERUVIAN ECONOMY, MEETING LONG NEGLECTED SOCIAL NEEDS, STRENGTHENING THE CAPACITY OF PEASANT FARMERS TO DEVELOP ALTERNATIVES TO COCA LEAF PRODUCTION, AND DEFENDING HUMAN RIGHTS.

- FIRST, THE INTERNATIONAL COMMUNITY, AND RESPECTED HUMAN RIGHTS ORGANIZATIONS, MUST FOCUS THE SPOTLIGHT OF WORLD ATTENTION ON THE THREAT WHICH SENDERO POSES. I AM NOT SUGGESTING THAT THE PERUVIAN GOVERNMENT GET A PASS ON HUMAN RIGHTS. THEY SHOULD NOT AND THEY WILL NOT. BUT IF THE WORLD HAD HELD TRIBUNALS, ISSUED REPORTS AND ALERTED GOVERNMENTS AND MULTILATERAL INSTITUTIONS TO THE THREAT THAT THE KHMER ROUGE POSED TO CAMBODIA EARLY IN THE 1970S, PERHAPS THE HORRORS OF ITS RULE MIGHT HAVE BEEN AVERTED IN TIME.

- SECOND, SENDERO DOES NOT OPERATE IN A VACUUM. TWO THIRDS OF PERUVIANS LIVE IN POVERTY TODAY -- THAT HUMAN MISERY OFFERS FERTILE BREEDING GROUNDS FOR A MESSIANIC GROUP LIKE SENDERO. THE GUERRILLAS TAKE ADVANTAGE OF PERU'S PROFOUND ECONOMIC CRISIS, AND THE INTERNATIONAL COMMUNITY MUST HELP THE PERUVIAN GOVERNMENT TO OVERCOME THAT CRISIS.

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- WHEN PRESIDENT FUJIMORI TOOK OFFICE TWENTY MONTHS AGO, PERU'S 1990 GROSS DOMESTIC PRODUCT WAS DOWN 22

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PERCENT FROM ONLY TWO YEARS BEFORE. IT WOULD TAKE PERU 12 STRAIGHT YEARS OF FIVE PERCENT GROWTH TO GET PER CAPITA INCOME BACK TO 1987 LEVELS. INFLATION RAN AT A STAGGERING 7,650 PERCENT. THE PREVIOUS GOVERNMENT'S SUSPENSION OF EXTERNAL DEBT PAYMENTS CUT OFF PERU FROM ANY RESOURCES OF THE INTERNATIONAL FINANCIAL INSTITUTIONS -- THE IMF, THE IDB, THE IBRD. PERU'S DEBTS TOTALLED 22 BILLION; FULLY TWO-THIRDS OF PERU'S EXTERNAL DEBT WAS IN ARREARS.

- PRESIDENT FUJIMORI HAS PROVEN ONE OF THE BOLDEST, MOST FAR-REACHING REFORMERS IN TODAY'S GENERATION OF LATIN AMERICAN LEADERS. HE SLASHED INFLATION TO 220 PERCENT IN 1990; IN DECEMBER 1991, INFLATION WAS ONLY 3.7 PERCENT -- UNDER 55 PERCENT ANNUALLY. HE BALANCED PERU'S BUDGET, ENDED LONG-STANDING PRICE CONTROLS AND SUBSIDIES AND REDUCED THE GOVERNMENT PAYROLL BY 50,000 EMPLOYEES. PERU'S AVERAGE TARIFF, 80 PERCENT IN AUGUST 1990, IS DOWN TO 17 PERCENT TODAY. ALMOST ALL BARRIERS TO FOREIGN INVESTMENT ARE GONE. LAST FALL, PERU SETTLED THREE MULTI-MILLION-DOLLAR INVESTMENT DISPUTES WITH U.S. COMPANIES. PRESIDENT FUJIMORI'S CURRENCY EXCHANGE, INTEREST RATE AND LABOR REFORMS HAVE MADE PERU'S ECONOMY MORE COMPETITIVE. AND PERU HAS RESUMED DEBT PAYMENTS TO INTERNATIONAL FINANCIAL INSTITUTIONS.

- AS A RESULT OF THESE POLICIES, THE PERUVIAN ECONOMY GREW 2.8 PERCENT LAST YEAR AFTER CONTRACTING 4.6 PERCENT IN 1990 AND 11.9 PERCENT THE YEAR BEFORE.

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- THE UNITED STATES HAS DONE MUCH TO SUPPORT PRESIDENT FUJIMORI'S ECONOMIC POLICIES, AND I HOPE WE CAN DO MORE. WE TOOK THE LEAD IN FORMING A SUPPORT GROUP OF DONORS THAT PLEDGED 1.1 BILLION -- 416 MILLION OF THAT FROM THE U.S. -- IN NEW MONEY OVER TWO YEARS. WITH THIS HELP, AND THAT OF OTHER INTERNATIONAL DONOR COUNTRIES AND INSTITUTIONS, PERU HAS BEGUN TO PAY OFF ITS ARREARS SO IT CAN RECEIVE FRESH CAPITAL INFLOWS. THE IDB HAS ALREADY RESUMED NEW LENDING.

- WE ARE PROVIDING PERU 200.7 MILLION IN DIRECT ASSISTANCE THIS YEAR, 157.2 MILLION OF IT ECONOMIC AID. THE ANDEAN TRADE PREFERENCE INITIATIVE PASSED BY CONGRESS AND SIGNED INTO LAW BY THE PRESIDENT LAST DECEMBER WILL EXPAND PERU'S TRADE ACCESS TO THE UNITED STATES. WE HAVE

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REQUESTED 286 MILLION IN BUDGET AUTHORITY FOR OFFICIAL DEBT REDUCTION UNDER THE ENTERPRISE FOR THE AMERICAS INITIATIVE IN FISCAL 1993, AND WE HOPE TO INCLUDE REDUCTION OF PERU'S OFFICIAL DEBT IN THIS YEAR'S PROGRAM. FULL FUNDING OF THIS INITIATIVE BY THE CONGRESS WOULD PERMIT US TO PROVIDE SIGNIFICANT RELIEF TO PERU.

- OUR AID HAS HELPED PERU IN OTHER KEY AREAS. U.S. ASSISTANCE FEEDS ONE IN SEVEN PERUVIANS. WHEN THE CHOLERA EPIDEMIC STRUCK IN JANUARY 1991, AFFLICTING ABOUT 300,000 PERUVIANS, PROGRAMS WE HAD IN PLACE FOR A DECADE WERE KEY TO CONTAINING THE DISEASE AND KEEPING THE FATALITY RATE LOW -- 1.3 PERCENT. WE HAVE CONTINUED AND EXPANDED OUR INFANT MORTALITY PROGRAM, TRAINING HEALTH CARE PERSONNEL AND PROVIDING ORAL REHYDRATION SALTS, WITH 5 MILLION IN EXTRA AID LAST YEAR AND 5 MILLION MORE TO BE SPENT THIS

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YEAR.

- THIRD, THE PERUVIAN GOVERNMENT MUST DEVELOP A COMPREHENSIVE POLITICAL, ECONOMIC AND SOCIAL STRATEGY TO CONFRONT SENDERO. THE MILITARY COMPONENT OF THAT STRATEGY MUST SUPPORT AND BE SUBSUMED BY THE LARGER POLITICAL, ECONOMIC AND SOCIAL GOALS. A FUNDAMENTAL PART OF THAT STRATEGY MUST BE TO EXTEND THE GOVERNMENT'S PRESENCE AND SERVICES TO THE MARGINALIZED RURAL AREAS AND TO THE NEW URBAN "PUEBLOS JOVENES" WHERE SENDERO HAS SUNK ITS ROOTS, IN PART, BECAUSE THERE IS NO GOVERNMENT PRESENCE. THE U.S. CAN HELP AS WELL BY SUPPORTING ECONOMIC DEVELOPMENT PROJECTS THAT EMPHASIZE GRASSROOTS PARTICIPATION BY LOCAL COMMUNITIES IN DEVELOPING PROJECT GOALS, OVERSEEING THEIR IMPLEMENTATION, AND PROVIDING VOLUNTEER EFFORTS TO CARRY THEM OUT. SECURITY IS ALSO NECESSARY FOR SUCH PROJECTS TO BE EFFECTIVE. SO FAR THIS YEAR, EIGHT FOREIGN DEVELOPMENT WORKERS AND SIX FOREIGN NATIONALS INVOLVED IN RELIGIOUS AND HUMANITARIAN ORGANIZATIONS HAVE BEEN ASSASSINATED BY SENDERO. THE PERUVIAN ARMED FORCES AND POLICE MUST BE ASSISTED IN PROFESSIONALIZING THEMSELVES WITH TRAINING, EQUIPMENT, TECHNICAL ASSISTANCE AND HUMAN RIGHTS STANDARDS.

- FOURTH, PERU MUST FUNDAMENTALLY REFORM AND STRENGTHEN ITS SYSTEM FOR ADMINISTERING JUSTICE. PERU MUST ENSURE SWIFT, EFFICIENT DUE PROCESS THAT PROTECTS THE INNOCENT BUT ALSO A SYSTEM OF JUSTICE THAT PROSECUTES TERRORISTS EFFECTIVELY WHILE SAFEGUARDING JUDGES AND

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JURORS AND POLICE OFFICIALS. TODAY THE CONVICTION RATE FOR ACCUSED TERRORISTS IS LESS THAN TEN PERCENT. PROSECUTORS AND POLICE ARE UNDERPAID AND ILL-EQUIPPED.  
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THEY LACK LAW BOOKS, TYPEWRITERS AND EVEN BUSES TO TRANSPORT PRISONERS. CORRUPTION MUST BE ROOTED OUT OF JUDICIAL SYSTEMS AS WELL.

- WE ARE NOW IN THE THIRD YEAR OF A 3.4 MILLION U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (AID) ADMINISTRATION OF JUSTICE PROGRAM. THAT PROGRAM SUPPORTS PERUVIAN EFFORTS TO ESTABLISH A NATIONAL REGISTER OF DETAINEES; INCREASE COOPERATION BETWEEN PROSECUTORS, JUDGES AND POLICE; AND IMPROVE ACCESS TO LEGAL SERVICES. AID IS DEVELOPING NEW PROGRAMS TO HELP IMPROVE COURT INFORMATION SYSTEMS, IMPLEMENT THE NEW PROCEDURAL CODE, ESTABLISH LEGAL AID OFFICES AND PROVIDE TECHNICAL SUPPORT AND EQUIPMENT. PERU HAS ASKED FOR OUR HELP TO CONSOLIDATE ITS THREE EXISTING POLICE ORGANIZATIONS INTO A SINGLE NATIONAL POLICE FORCE, DETERMINE FUTURE TRAINING NEEDS AND RECOMMEND NEEDED LEGAL REFORMS. OUR AID PROGRAM FORESEES THE CREATION OF A NONPARTISAN, PUBLIC/PRIVATE SECTOR INSTITUTION TO DEVELOP A NATIONAL CONSENSUS ON -- AND NATIONAL SUPPORT FOR -- JUDICIAL REFORM. THE 5 MILLION WE PLAN TO REQUEST FOR THIS 3 TO 5 YEAR PROGRAMS WILL BE MONEY WELL SPENT.

- OUR 500,000 ICITAP PROGRAM HAS TRAINED 120 PERUVIAN JUDGES, PROSECUTORS AND POLICE OFFICERS IN PROPER POLICE AND INVESTIGATIVE TECHNIQUES. WE TURNED OVER THE MATERIALS USED IN THESE PROGRAMS TO THE PERUVIANS SO THEY CAN TRAIN ADDITIONAL PERSONNEL. WE PLAN A PILOT HUMAN RIGHTS TRAINING COURSE FOR POLICE OFFICERS NEXT YEAR.

- FIFTH, WE AND THE INTERNATIONAL COMMUNITY MUST GO  
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FORWARD WITH OUR COMMITMENTS MADE AT CARTAGENA AND NOW SAN ANTONIO. CONTRARY TO CONVENTIONAL MYTH, THIS DOES NOT MEAN MILITARIZATION OF THE DRUG WAR. IT REQUIRES FIRST AND FOREMOST BY THE UNITED STATES, AND HOPEFULLY BY THE EUROPEAN DEMOCRACIES AS WELL, CONTINUED, STEADY, SUSTAINED EFFORT TO REDUCE THE DEMAND FOR DRUGS -- AND HERE THE UNITED STATES HAS A RECORD THAT SHOWS PROGRESS. IT

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INVOLVES SUSTAINED MULTILATERAL EFFORTS TO ATTACK THE DRUG TRAFFICKING CARTELS IN EVERY AREA -- THE CHEMICALS THEY TRANSPORT AND SHIP, THE MONEY THEY LAUNDER, THE AIRCRAFT AND SHIPS THAT MOVE THEIR PRODUCT, AND THE CORRUPTION THEY BREED.

- I UNDERSTAND WHY PERU PLACES SENDERO HIGHER ON THEIR LIST OF PRIORITIES THAN COCA LEAF. AND I ALSO UNDERSTAND WHY THE UNITED STATES, WHEN IT THINKS ABOUT PERU, THINKS ABOUT COCAINE. BUT THAT DOES NOT MEAN WE CANNOT COOPERATE IN WAYS THAT STRENGTHEN THE ABILITY OF BOTH GOVERNMENTS TO DEAL WITH THEIR RELATIVE PRIORITIES.

- THE PROBLEM OF COCAINE PRODUCTION IS RELATED TO THE PROBLEM OF INSURGENCY. SENDERO EARNS MONEY FROM THE DRUG TRAFFICKERS BY HAVING ITS UNITS PROTECT COCA PROCESSING LABS. BUT SENDERO'S ROLE IS OFTEN MORE DIRECT. IN LARGE PARTS OF THE HUALLAGA VALLEY, SENDERO IS THE DRUG BUSINESS -- IT ALLOCATES LAND, DICTATES PRICES PAID TO COCA FARMERS, THEN NEGOTIATES AND SELLS DIRECTLY TO THE COLOMBIAN CARTELS.

- THE UPPER HUALLAGA VALLEY IS SENDERO'S CHIEF LOGISTICAL BASE; SENDERO CONTROLS ABOUT 30,000 HECTARES  
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THERE, AMOUNTING TO OVER HALF THE VALLEY'S COCA LEAF CULTIVATION. THE GUERRILLAS "TAX" NARCOTICS FLIGHTS, EARNING 5000- 15,000 FOR EACH USE OF AN AIRPORT THEY CONTROL. THESE FUNDS GIVE SENDERO ACCESS TO WEAPONS THEY OTHERWISE WOULDN'T GET; CAPTURED DOCUMENTS SHOW THAT IN 1989, FOR EXAMPLE, SENDERO WAS ABLE TO BUY SOME BELGIAN-MADE ASSAULT RIFLES FROM DRUG TRAFFICKERS.

- BOTH WE AND THE PERUVIAN GOVERNMENT ARE WORKING TO CREATE ALTERNATIVE ECONOMIC DEVELOPMENT TO REPLACE COCA CULTIVATION. HOWEVER, THAT WORK WON'T SUCCEED IN PERU UNLESS WE DRIVE THE PRICE OF COCA LEAF DOWN AND PROVIDE SECURITY TO ALLOW ALTERNATIVE DEVELOPMENT TO GO FORWARD. SENDERO HAS DESTROYED ROADS AND BRIDGES LINKING THE HUALLAGA VALLEY TO LIMA AND KILLED DEVELOPMENT WORKERS AS PART OF A STRATEGY TO ISOLATE THE COCA FARMERS AND MAKE THEM DEPENDENT ON SENDERO. ADEQUATE SECURITY FOR DEVELOPMENT EFFORTS WILL REQUIRE ASSISTANCE TO THE POLICE, AND IN SOME INSTANCES THE MILITARY IS NEEDED. I BELIEVE WE MADE A MISTAKE IN DEPRIVING THE ARMY OF THESE FUNDS IN

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THIS YEAR'S AID PACKAGE. WE FULLY SHARE THE CONGRESS' CONCERNS ABOUT HUMAN RIGHTS IN PERU. WE ALSO BELIEVE THAT OUR ENGAGEMENT WILL DO MORE THAN GET BETTER RESULTS IN THE DRUG WAR -- IT WILL FURTHER THE PROGRESS PRESIDENT FUJIMORI IS ALREADY MAKING IN ADVANCING THE CAUSE OF HUMAN RIGHTS.

- ALTERNATIVE ECONOMIC DEVELOPMENT FOR COCA FARMERS IS A FUNDAMENTAL GOAL OF BOTH PERU AND THE UNITED STATES IN ITS COUNTERNARCOTICS STRATEGY. DESPITE THE DIFFICULTIES, THROUGH OUR AID IN THE UPPER HUALLAGA PROJECT, MORE THAN  
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14,000 FARMERS HAVE RECEIVED TECHNICAL ASSISTANCE AND PLANTED MORE THAN 1,700 DEMONSTRATION PLOTS. MORE THAN 2,100 AGRICULTURAL LOANS AND 4,700 LAND TITLES HAVE BEEN PROVIDED TO FARMERS. A TOTAL OF 1,256 KILOMETERS OF ROAD AND 12 BRIDGES HAVE BEEN REHABILITATED, THEREBY REDUCING TRAVEL TIME BY 60 PERCENT ALONG A KEY SECTION OF THE COASTAL ROAD FROM THE VALLEY TO THE COAST. THE PROJECT HAS PROVIDED 38 POTABLE WATER SYSTEMS, 16 MEDICAL POSTS, AND 88 WATER PUMPS AS WELL AS SCORES OF COMMUNITY VEGETABLE GARDENS. STILL, SERIOUS ALTERNATIVE ECONOMIC DEVELOPMENT PROGRAMS CANNOT GO FORWARD WITHOUT PROVIDING SECURITY.

- FIFTH, THE INTERNATIONAL COMMUNITY SHOULD ALSO SUPPORT THE EFFORTS OF PERU AND ECUADOR TO FINALLY RESOLVE THEIR LONGSTANDING BORDER DISPUTE STEMMING FROM THE CONFLICT FOUGHT BETWEEN THEM IN 1942. PRESIDENT FUJIMORI COURAGEOUSLY WAS THE FIRST PERUVIAN PRESIDENT TO VISIT QUITO LAST JANUARY, AND PRESIDENT BORJA HAS AGREED TO MAKE A RETURN VISIT. PRESIDENT BUSH PRAISED THESE EFFORTS AT THE SAN ANTONIO DRUG SUMMIT. AS A GUARANTOR OF THE 1942 RIO PROTOCOLS, THE UNITED STATES HAS A ROLE TO PLAY IN SUPPORTING THIS DIPLOMACY. FOR DESPITE THE FUNDAMENTAL THREAT WHICH SENDERO POSES, THE BULK OF PERU'S ARMY IS STILL ORGANIZED, MOBILIZED, AND STATIONED TO DEAL WITH THE THREAT OF CONFLICT WITH NEIGHBORS LIKE ECUADOR AND CHILE. FINAL SETTLEMENT OF THIS BORDER CONFLICT WOULD ALLOW PERU TO CONCENTRATE ITS SECURITY FORCES ON THE REAL ENEMY OF THE PERUVIAN PEOPLE -- SENDERO LUMINOSO.

- MR. CHAIRMAN, THE PROGRAMS WE SUPPORT IN PERU TODAY  
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ARE NOT COUNTERINSURGENCY PROGRAMS. THEY EACH HAVE  
SPECIFIC, LIMITED OBJECTIVES. BUT THEY ALSO CONTRIBUTE TO  
STRENGTHENING THE GOVERNMENT'S ECONOMIC, ADMINISTRATIVE  
AND MILITARY CAPACITY TO CONFRONT AND DEFEAT SENDERO.

- ECONOMIC DEVELOPMENT AND ADMINISTRATION OF JUSTICE  
PROGRAMS STRENGTHEN PERU'S DEMOCRACY AND GIVE THE LIE TO  
THE GUERRILLAS' ARGUMENT THAT THE STATE CANNOT SERVE  
JUSTICE OR HUMAN NEEDS. OUR COUNTERNARCOTICS PROGRAMS  
IMPART BASIC SECURITY SKILLS AND AN UNDERSTANDING OF HUMAN  
RIGHTS -- THAT MAKES PERU'S SECURITY FORCES MORE EFFECTIVE  
IN ANY MISSION THEY UNDERTAKE. AS THE DRUG TRADE IS  
DISRUPTED, SENDERO LOSES A SOURCE OF FINANCING.

- CERTAINLY, THERE IS A CONVINCING CASE AGAINST U.S.  
INVOLVEMENT IN A COUNTERINSURGENCY PROGRAM IN PERU. THE  
ADMINISTRATION HAS NO SUCH PLANS NOR WOULD WE PROPOSE THEM  
WITHOUT CLOSE CONSULTATION WITH THE PERUVIAN GOVERNMENT  
AND THE CONGRESS AND ONLY AFTER CAREFUL CONSIDERATION AND  
DEBATE.

- YET THERE IS A CASE FOR CLOSER ENGAGEMENT WITH  
PERU. THE PLAIN FACT IS THAT WHILE DRUG TRAFFICKING IS  
OUR TOP INTEREST IN PERU, THE SENDERO LUMINOSO IS A DIRECT  
THREAT TO THE GOVERNMENT'S SURVIVAL. PERU'S INSURGENCIES  
THREATEN MORE THAN DEMOCRACY AND PROSPERITY -- THEY POSE  
SERIOUS OBSTACLES TO ALL ASPECTS OF AN EFFECTIVE  
COUNTERNARCOTICS STRATEGY, FROM INTERDICTING COCA  
SHIPMENTS TO ECONOMIC DEVELOPMENT TO ENFORCING THE LAW  
AGAINST CAPTURED TRAFFICKERS. THEY THREATEN DEMOCRACY IN  
LATIN AMERICA AND THE PROSPECTS FOR REGIONAL ECONOMIC  
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INTEGRATION AND TRADE.

- I LOOK FORWARD TO THE DEBATE THESE HEARINGS WILL  
GENERATE, AND I LOOK FORWARD TO CONTINUING OUR WORK WITH  
CONGRESS ON A POLICY TOWARD PERU THAT SERVES U.S.  
INTERESTS OF STOPPING DRUG TRAFFICKING, STRENGTHENING  
DEMOCRACY AND DEFENDING HUMAN RIGHTS.

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