

INSTITUTE OF CURRENT WORLD AFFAIRS

CRT - 30
The Experience of
San Pedro de Cajas

Hotel Bolivar
Lima
Peru
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Mr. Walter S. Rogers
Institute of Current World Affairs
522 Fifth Avenue
New York 36, New York

Dear Mr. Rogers:

The village of San Pedro de Cajas is found in the Peruvian province of Tarma, lying somewhat forlornly at four thousand meters in the cold and bleak Andes. Of a population of six thousand, it is reported that no one is illiterate, an exceptional state of things. San Pedro has, however, a further claim to fame: it has sought to transform itself into a more civilized village by its own efforts and now finds this attempt blocked by government red tape.

Some time ago, the citizens of the town decided that they could well use the services of an electric power plant and set about obtaining the necessary funds to finance its purchase. To do this, they sold reserve wool which would have gone into clothing, a good part of their livestock and mortgaged the services of their household industries. The sum they eventually found they would have to pay for the plant's machinery was 2,000,000. soles (\$100,000.) and, undisturbed, they got together enough to pay the first installment to the company supplying the machinery. The rest is to be worked out on a long term credit basis. According to the agreement, the townspeople will build the plant and rechannel a river while the company will install the machines.

Thanks to their own initiative and desire, the people of San Pedro are willing to hazard the burden of a large debt in a country where a servant may earn 300. soles (\$15.) a month (if he works for a foreigner) and a skilled office worker may make 1000. soles (\$50.) monthly.

The community presented a special request to the government that the machinery be exempted from import duties since they felt this to be beyond their capacities. The Minister of Finance granted this request and the machinery was ordered, and now stands in Lima's port, Callao. Unfortunately, the customs officials have seen fit to read the exemption decree as applying only partially to the taxes and duties involved, and they want San Pedro to pay 30,000. soles (\$1500.) in charges.

This is the situation at the moment: the community feels it

has full exemption, the customs officials deny this and the machinery waits idle in the warehouse in Callao.

One has to visit the mountain villages, most often perched like collections of bird cages on steep slopes or clustered together on the largest level space available to appreciate the advantages of electric light. Lacking this, sanitary facilities and other amenities, the houses, squat adobe piles with only a door as a source of interior illumination, are not the most prepossessing units for living. They are cold, damp, cheerless and can be deeply depressing if one has to live in them year after year. Aside from any economic advantages from a power source (and San Pedro will be able to employ machinery more efficiently in its carpentering and weaving activities and the like), the psychological lift of having a light by which to work, read or talk is great. This may reduce itself to but one unshaded bulb hanging from the ceiling - not a terribly attractive item - but it does give light.

What is perhaps more significant is how the experience of San Pedro relates to the general problem of the integration of the Andean indian into the "national" style of life. (The quotation marks are in deference to the not inadmissible argument that the national life is best defined by the mores of the largest segment of the population, in this case the indian. Few non-indian Peruvians would accept this.) Here in Peru, this integration is usually treated in the future tense. When the problem is recognized, there is agreement that it exists today, but any one of a variety of steps to alleviate it are stated as "wanting to occur tomorrow." Some of the impact of Fernando Belaúnde's recent reform campaigning (CRT - 19, 20, 22, 24) derived from his saying that change in the life of the indian must occur "today," and "when I am President." Some were horrified and some were delighted by this act of temporally relocating the solution of the indian problem.

Often interested parties and specialists in the indian problem overlook the fact that the desired changes are now occurring in many parts of the Andes and through the inspiration of the indian himself. The installation of bakeries or the purchasing of machines around Lake Titicaca (CRT - 25) is being done on the basis of the indian's own wish for self improvement. Even such a sophisticated agency as the Andean Indian Mission, which takes as its purpose to make "the men of the future from the serfs of the past" often gives the impression that change has to be forced upon the indian or at least suggested to him. In many cases this is true, and especially so in the areas in which the Mission works. This attitude does tend to obscure the fact that the indian who is in an active self willed state of change has to accomplish his ends pretty much on his own for so much of the given emphasis of many agencies and individuals is directed toward the more passive communities.

Local interests in and around indian communities often block spontaneous change for someone's income may be threatened if the indian should pass from his cheap labor force status to something else. As well, governmental regulations are not geared to accept and assist social change among the indian communities. Such regulations are a reflection of non-indian needs and desires and arise from pressures tangential to the indian world.

San Pedro's case demonstrates this neatly. The law as such has no automatic exemption provision for imported goods which are intended to foster economic and social change in the indian community. Instead, this community, if it wishes to buy machinery, is equated before the law with an urban factory or a commercial workshop. The town of San Pedro is only a business in the most general sense of that term, and its hydroelectric plant, while tending to make local cottage industry more productive and increase local income, has as well the function of encouraging the indian's desire for a better life and perhaps acting as a stimulant to further change within a community currently remote from the national scene, psychologically as well as geographically.

Similar problems confront the Credit Cooperative of Puno (CRT - 25) which had to seek even the initial legislation for the cooperative especially from the government. Its present scope of activity is still limited by the lack of laws regulating credit unions, and for almost every proposed development the government in Lima has to be solicited for its legal approval.

What seems to be the case is that legislation in Peru, like the discussions referred to before, covering social change among indigenous communities is in the future tense. The law as it stands is not prepared to deal with such change nor are its administrators necessarily conditioned in that direction. The proliferation of bureaucracy is such that one segment, that of the finance department, can agree to a given act but another, here the customs department, can revise the initial judgement.

Fortunately for San Pedro de Cajas, La Prensa, Lima's leading daily, has taken up its case editorially and, as these things go, such public appeal will probably result in the community getting its machinery without additional money payments. Several comments from the editorial are worth recording here:

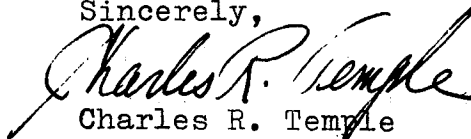
"The taxes which the State collects on various grounds

have as their recognized end to permit the State to fulfill its specific functions, among which a place of preference is accorded to the betterment of the standard of living of the citizens of the different towns of Peru...The incredible thing, the truly absurd thing, is that the State should collect taxes to impede the realization of a work which will raise the living standard, as is happening in the case of San Pedro de Cajas.

"...The Supreme Resolution given in favor of the community of Cajas could have had as its only purpose that of exonerating [it] completely from the payment of any taxes on the importation of hydroelectric equipment...To pretend that someone is helping the community when it is left without electric power because of the lack of thirty thousand soles instead of fifty thousand [the estimated full taxes] is to think like the doctors in a Mexican song, for whom the victim of a shooting "was lucky: of six bullets which he took, only three killed him."

Still, San Pedro de Cajas remains without power or light and the machinery gathers dust in Callao.

Sincerely,


Charles R. Temple

Received New York 8/31/56.