

Brazil is capable of “asphyxiating” Paraguay’s economy by blockading the Friendship Bridge between Foz de Iguazú (Brazil) and Ciudad del Este, Paraguay. This would block Brazilian contrabandists’ access to Ciudad del Este’s giant duty-free center, where merchandise is purchased for sale all over Brazil. Other measures could include blocking Paraguayan access to the three Brazilian ports it uses for its exports, Santos, São Paulo, and Paranaguá.

April 24

At 8:00 a.m. Gen. Oscar Díaz Delmás is sworn in as new head of the Army, replacing Oviedo. César Gaviria, Mercosur foreign ministers, and other Ibero-American diplomats attend the ceremony to “show solidarity with Wasmosy.” General Oviedo and Wasmosy embrace, and Oviedo invites the press to attend his swearing-in as defense minister the next morning at 11:00 a.m.

U.S. State Department spokesman Glynn Davies says in Washington, “We’re pleased with what appears to be an end to the threat to Paraguay’s constitutional order.” He describes Oviedo’s stepping down from the Army command post as “very positive,” but adds, “we’ll have to see how it plays out from here. . . . On the question of whether . . . we have a particular reaction to what may happen to Oviedo in the future, we’ll just have to wait and see.”

Threats of foreign military intervention are reported in three locations: The *New York Times* reports that the other members of Mercosur “offered the President [Wasmosy] military help”; Argentina’s *Página 12* reports that on April 23, the OAS had to “deny reports that war planes had taken off from the Southern Command, based in Panama, headed for Asunción, to repress a possible coup attempt by Oviedo”; Brazil’s *Tribuna da Imprensa* publishes a detailed article on a purported “official Pentagon communiqué” reportedly sent to Brazil’s high command two days earlier.

Six days later, Brazil’s *Gazeta Mercantil* reports that combat jets were stationed on the border of Bolivia and Paraguay on April 24, ready to intervene in Paraguay if necessary.

April 25

General Oviedo arrives at 11:00 a.m. at the Presidential palace to find that his swearing-in ceremony as defense minister has been “indefinitely postponed.” In a televised address later that day, Wasmosy tells the nation that he has decided not to appoint Oviedo as defense minister.

General Oviedo addresses a crowd at the Parque de la República, denying that he had rebelled against the President.

State Department Glynn Davies and White House spokesman Mike McCurry, say, in almost identical language, “We fully and emphatically support President Wasmosy’s decision not to offer the position of minister of defense to General Oviedo. . . . We join all democratic peoples of the hemisphere and all governments in praising President Wasmosy for the courage that he’s displayed in protecting and defending Paraguayan democracy and constitutional order.”

Triple Alliance War vs. Paraguay was to impose British free trade

by Lorenzo Carrasco and Cynthia Rush

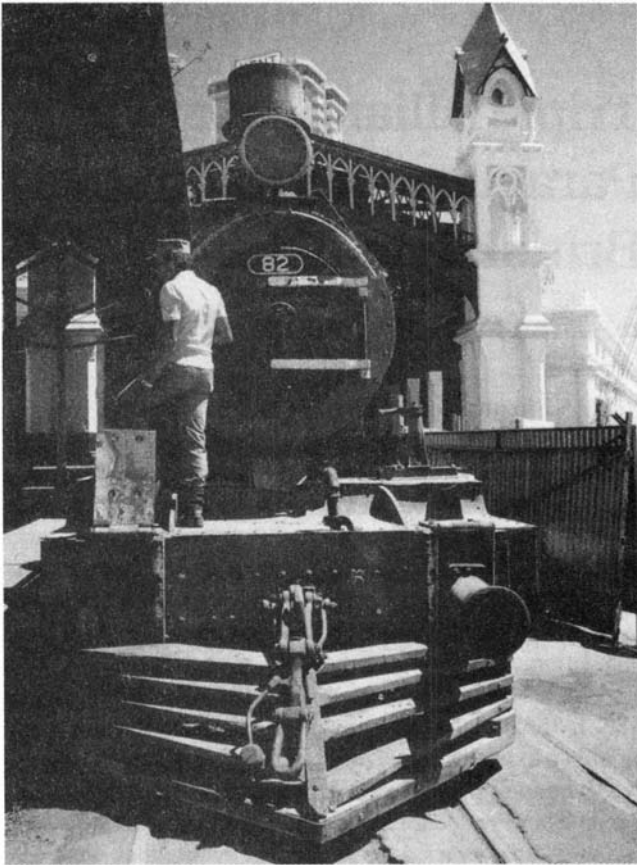
In 1865, simultaneous with the ending of the Civil War in the United States, the British government orchestrated the creation of the Triple Alliance in South America, among the governments of Argentina, Uruguay, and Brazil, for the purpose of dismembering the nation of Paraguay. For five years, until 1870, the alliance carried out a war of extermination against the Paraguayan people, a genocide which wiped out 80% of that country’s male population and 50% of its total population.

Why? The secret treaty creating the alliance, signed on May 1, 1865 by the three governments, stated that the allies would go to war to defeat the “tyrant,” Francisco Solano López, who took power in 1862 upon the death of his father, Paraguayan President Carlos Antonio López. But it wasn’t “tyranny” that worried the British. In reality, they were enraged that, beginning with the government of Carlos Antonio López in 1840, followed by that of his son in 1862, Paraguay had become a shining example of the success of protectionist policies, stubbornly resisting British demands to open itself up to free trade, and especially free navigability of its rivers. In 1846, the American consul in Paraguay, Mr. Hopkins, reported to Washington that Paraguay “is the most powerful nation in the New World, after the United States. Its people are united . . . the government is the richest of all the states on the continent.”

These American System policies stood in stark contrast to Paraguay’s neighbors, whose resistance to free trade had largely been broken. Paraguay’s existence as a sovereign nation-state represented a grave threat to British geopolitical interests, and could not be tolerated. A testament to just how successful the Lópezes were in building that nation-state was the heroic resistance of the Paraguayan people in the Triple Alliance war. The *entire population*, including children as young as 11 and 12 years, mobilized to defend Paraguay against incredible odds, not unlike the Bosnian people’s resistance against British-directed genocide. Marshal Solano López never gave up, and died fighting, rather than surrender to the Brazilian imperial army at Cerro Corá in 1870. “I die for my country, with sword in hand,” were his last words.

Free trade, or else

As early as 1837, Britain’s Lord Palmerston specified that the British Empire required free-trade regimes throughout



Under the Presidency of Carlos Antonio López in the mid-nineteenth century, Paraguay built the first railroad in South America, shown here. The protectionist policies of López and his son incurred the wrath of the British.

Ibero-America. In response to Argentine ruler Juan Manuel de Rosas's adoption of protectionist tariffs, Palmerston instructed the British representative in Buenos Aires to warn the Argentines that protective tariffs would have "pernicious effects upon the trade of their country." In 1841, from the British Foreign Office, Palmerston complained that "at present, the Plata, and the Amazon and Orinoco and the Rivers which fall into them *have not been rendered available for Commercial Intercourse with the Interior of the Country, but it seems likely that in process of Time, the use of them may render those great water communications . . . available for the Purposes of Commerce*" (emphasis added).

That the only purpose of the barbaric war against Paraguay was the imposition of free trade, was made clear by Bartolomé Mitre, the avowed British agent and Argentine President (1862-68), who led the allied troops as commander-in-chief. During the war, Mitre raved that "when our warriors return from their long and glorious campaign, to receive the well-deserved applause of their people, commerce shall see inscribed on their banners, the great principles which the apostles of free trade proclaim for the greater glory and happiness of mankind."

The Triple Alliance war was the culmination of British geopolitical machinations to prevent the establishment of any sovereign nation-state in Ibero-America. The Brazilian royal family, heirs to Portugal's decadent Braganza family, was the primary instrument of that policy. Beginning in 1808, when England coordinated the Portuguese royal family's transfer to Brazil, and with that the "opening up of the ports," London took control of Brazil's internal and external life, as a crucial element in its diplomatic maneuverings in the Rio de la Plata region. Together with Argentine Presidents Mitre and Domingo Faustino Sarmiento, a free-trade freemason and prominent member of Lord Palmerston's political "zoo," and the puppet government of Venancio Flores, imposed by Brazil in Uruguay, the British set out to smash Paraguay.

The secret Triple Alliance treaty stated explicitly that the war against Paraguay would continue *until the government of Solano López were totally destroyed*. Put together under the watchful eye of Britain's representative in Buenos Aires, Edward Thornton, the treaty also stated that Paraguay's borders would be redrawn, and that the nation itself would bear the cost of the war.

A mercantilist state

In April 1830, Brazil's consul in Paraguay, Correía de Cámara, reported to his secretary of state that "the only way . . . to get rid of this nascent colossus [Paraguay], is through a quick and well-coordinated invasion."

What was this "nascent colossus"? Starting with the government of Dr. Gaspar Rodríguez de Francia (1813-40), the Paraguayan state maintained a virtual monopoly over all the country's fertile lands, as well as over foreign trade. It also controlled currency issuance and circulation, keeping it free from London's manipulation. Export of gold and silver was prohibited, a policy which broke the cycle of dependence on credit from Buenos Aires-based merchants.

Dr. Francia also prohibited the contracting of foreign loans, a policy continued by Carlos Antonio López (1840-62), and his son Francisco Solano López (1862-70). This was true heresy, since the country *had no foreign debt!* These and other measures eliminated the role of local oligarchies as dominant economic or political forces in the country. Nor did Paraguay have freemasonic lodges, which proliferated in neighboring countries. As the economy continued to develop, internal political strife was virtually nonexistent.

It was under the protectionist regimes of the two López governments, that Paraguay's most dramatic transformation occurred, much to Britain's horror. Carlos Antonio López's government maintained a 25% tax on imports of any products the country already produced, or that were considered luxury goods in a poor country such as Paraguay. But there were no import tariffs on agricultural and industrial machinery, or on other goods not produced domestically. Everything was paid for in cash. The lack of foreign debt meant that the nation's financial future was not mortgaged to foreign interests.

Paraguay became self-sufficient in food production, and

launched an industrialization campaign that was extraordinary, compared to its neighbors. The decade of the 1840s saw the construction of roads, bridges, canals, and other vital infrastructure. The military complex at Humaitá was built with the help of many foreign engineers, technicians, and doctors, as were the Ibycuí iron works and several other technologically advanced projects. The country had both a navy and a merchant marine.

The 1855 completion of the Asunción arsenal represented a significant advance in the development of forging and smelting technologies. The government built railroads and ammunition factories, extended telegraph lines, and established industries for the production of paper, sulphur, dyes, textiles, ceramics, and lime. Many of these projects were the result of Francisco Solano López's 1854 tour of several European capitals, during which he contracted hundreds of highly skilled technicians to come to Paraguay for the purpose of launching these modernization projects. When he was named President in 1862, Solano stepped up the rate of national development, especially strengthening and modernizing the Armed Forces, as an institution capable of defending national sovereignty.

Carlos Antonio López used to say that he was not a man of the Enlightenment, but rather a student of St. Augustine. At the beginning of his Presidency in 1840, ninety percent of Paraguay's population was illiterate, a situation which had to change if the country were to progress. Schools, he said, "are the real monuments which we can offer to national freedom." He built new schools and libraries, and hired foreign professors to participate in the education process. Education was extended to rural areas. The founding of the Normal School by the Spanish intellectual Idelfonso Bermejo, was an important achievement. Through a scholarship plan, López sent Paraguayan students to Europe and the United States, and rewarded inventors and others who introduced innovations in the production process.

Under this system of industrial protection, Paraguay's economic and industrial development was a source of envy among its neighbors. In 1857, there were 408 schools, with 16,000 students; by 1862, the number of schools grew to 435, with 25,000 students. Between 1851 and 1857, exports grew by 600% and the trade surplus by 800%.

Brazil and England: a 'special relationship'

By the end of the 1850s, the British Crown had determined that it was time to destroy Paraguay. In 1859, after a British plot to assassinate Carlos Antonio López was discovered, an "offended" Great Britain broke off diplomatic relations with Paraguay, and carried out a number of provocative actions violating that nation's territorial waters. In 1861, Lord John Russell communicated Britain's demand that Paraguay submit to its "imperative mandate." In 1865, the preemptive military strike made by Solano López against Brazil, became the pretext for the British Empire to move rapidly against Paraguay through the Triple Alliance.

Earlier, in 1857, Brazil had appointed José María de Silva Paranhos, the viscount of Rio Branco, to negotiate to obtain free navigation rights on Paraguayan rivers, so that ships could reach the Brazilian province of Matto Grosso. Paranhos, the father of the baron of Rio Branco, the British-style geopolitician considered to be the father of the Brazilian Foreign Ministry (Itamaraty), was also the head of Scottish Rite freemasonry in Brazil. In this position, he received instructions from his superior, Lord Palmerston, the head of British freemasonry. Once he obtained the right to free navigation

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from Paraguay, Paranhos outrageously transferred it immediately to Great Britain.

The correspondence of British consul W.D. Christie, in which he defends Britain's special relationship with the Brazilian Empire, is revealing: "Apart from the interest which the sovereignty of a great trading nation always has in everything which leads to the development of commerce, Your Majesty will receive with sincere pleasure the announcement of the happy conclusion to recent discussions with Brazil. . . . The position of this empire, bordering all the states of the Plata and its affluents, bathed by the same rivers, with its great resources and wealth, assures it influence over the destiny of its neighbors. . . . The virtues and wisdom of its emperor, already well known, are sufficient guarantee that during his reign, which happily, in the natural order of things shall be long, the influence of his policies will be just, healthful and benign."

In neighboring Argentina, the defeat of Juan Manuel de Rosas in 1852 at the battle of Caseros, saw the political consolidation of a clique of liberal free-traders, a product of the romantic Young Europe movement and the "revolutionary" networks of Italy's Giuseppe Mazzini, an agent of Lord Palmerston's British intelligence services. In May 1860, Domingo Faustino Sarmiento told *El Nacional*, "We have faith that the moment will come when neighboring countries will intervene in the misfortune of the Paraguayan people. . . . Should Ar-

gentina's great problem (internal strife) find a happy solution, then the common interests of Brazil and the United Provinces of La Plata must bring them together, to make triumphant on the rivers of our countries' interiors, the principles and freedom which guarantee our safety against the government of Paraguay."

Bartolomé Mitre shared Sarmiento's view that free trade represented "civilization." He wrote in the Sept. 4, 1864 edition of his newspaper, *La Nación* that "if the alliance were not possible, at least a complete agreement should be established among those governments which, in America, represent the principle of civilization against the aspirations and dark mistrust of the true representatives of barbarism"—meaning Paraguay. In 1861, Mitre revealed the Triple Alliance's true objectives, as well as the identity of its promoters, when he said, "We should be aware of this peaceful triumph [in the region]; let us seek the nerve center of this progress, and find the initial force which put it into motion. What is the force which drives this movement? Gentlemen, it is British capital."

Heroic resistance

The war against Paraguay was the biggest genocide in the history of this hemisphere. In five years, the Triple Alliance exterminated 50% of Paraguay's population, calculated at about half a million before the war. By 1870, the population totaled 194,000, of which 180,000 were women and 14,000 men. Of those, there were only 2,100 over the age of 20. Aside from those who died in combat, thousands more died as the result of wounds, hunger, and cholera epidemics.

But if it was the greatest genocide, the war was also an example of heroic resistance, which continues to be an object of great pride, not only among the Paraguayan people, but for all Ibero-American patriots. Despite the lack of resources, Paraguayans resisted until, literally, the last man, and in some cases, the last child. The devastation of the country was total: The war achieved what the "allies" could not obtain by any other means: the destruction of the country's military capabilities and the imposition of "democracy" based on free trade. For five years after the war, Brazil occupied the country militarily and imposed the Constitution of 1870. From then on, the nation suffered decades of political anarchy and economic chaos, the effects of which are still visible today.

In the final stages of the war, in June 1869, Gastón de Orleans, Count d'Eu, who was commander-in-chief of the imperial army and also son-in-law to the Brazilian emperor, described in his diary the "modernity" soon to be imposed on Paraguay. The Ibycuí ironworks, one of the Lópezes great achievements, "has been totally and definitively razed by engineer Jardim, who found a large quantity of still-usable machinery and some weapons. . . . Eighty men did the job . . . setting fire to the smelting, carpentry, turnery and foundry buildings . . . as well as the fuel warehouses. The job will be finished when the plant is destroyed, and the narrow valley in which the establishment is located, is subsequently flooded."

Brits boost 'model democrat' Samper

by Gretchen Small

What is a model democracy for the British oligarchy today? According to members of the British House of Lords, the drug cartel-run government of Ernesto Samper Pizano in Colombia, constitutes the kind of "responsible democratic government" under whose control drugs should be legalized, and one for which they will wield the power of the Crown, to keep in office.

The lords also point out that the current British deal with the Colombian cartels' political front men, continues an arrangement struck with the previous President, César Gaviria, who as secretary general of the Organization of American States, was instrumental in the recent supranational coup against Paraguay.

These are the same British aristocrats who use the cry of "democracy," to demand sanctions against Sudan and Nigeria, because those nations oppose free trade.

The House of Lords organized a public show of support for Samper Pizano's drug regime on April 2, with a debate attacking the Clinton administration's March 1 decertification of the Samper government. President Clinton ordered that measures be taken against Colombia, because of the evidence that the Samper regime had no intention of breaking its deal with the drug cartels.

In interviews in April with *EIR's* Spanish biweekly, *Resumen Ejecutivo*, various British lords reaffirmed that they support Samper.

Reached in his London offices on April 27, Viscount Montgomery of Alamein bragged that the debate in the House of Lords was staged to give the Samper regime means to resist pressure from the United States. "The Colombian ambassador in London was obviously delighted with this initiative," he said. "Of course, the Colombians would have used this themselves," to say that the British Parliament opposes decertification. "And, when it came out in Parliament, obviously, it was sent hotfoot to Bogotá."

Montgomery, son of Field Marshal Montgomery of World War II, organized the April 2 debate. Recognized as *the* activist on Ibero-America in the House of Lords, Monty, Jr.'s primary interest is free trade, key to expanding the grip of the British economic interests with which he is associated (among them, Canning House, Shell Oil, the Baring Puma Fund, Terimar Services, and the Antofagasta and Bolivia Railway Co., notorious for its role in provoking the 1879-83