

London panics at prospect of victory by Gen. Oviedo in Paraguay's elections

by Dennis Small

In London's lexicon, "democracy" and "free elections" are supreme values, right up there with "free trade" and "globalization." Unless, of course, "free elections" mean that your man is going to lose. In that case, you have to cheat.

Take the case of Paraguay.

Paraguay is scheduled to hold Presidential elections on May 10. The candidate of the ruling Colorado Party is Gen. Lino Oviedo (ret.). Immensely popular, he is the hands-down favorite to win the elections, according to all accounts. But he is, to quote the London *Economist*, a "virulent nationalist." So he has to be stopped—while somehow keeping up the pretense of "democracy."

This is the quandary that London and its Anglophile courtisans in Washington are increasingly facing all across Ibero-America, as a result, ironically enough, of the *successful* application of their own policies over recent years. The world financial crisis, and Britain's ongoing drive to use campaigns around "democracy, human rights, and globalization" to destroy the institution of the nation-state, are driving country after country to the brink of annihilation. Lawfully, this is bringing nationalist forces to the fore, often based on a civil-military alliance to withstand the foreign assault.

Such is the case in Colombia, where the Presidential campaign of Gen. Harold Bedoya (ret.), sacked seven months ago by the narco-government of Ernesto Samper, is now threatening to storm the Presidential palace—via the ballot box. General Bedoya is rallying the nation against the twin scourges of drugs and terrorism—both run out of London—sending a wave of panic through that control center (see article in this section).

Nationalism that won't go away

Paraguay is also threatening to spin out of British control.

Two years ago, in the third week of April 1996, a British-orchestrated democratic "coup" was executed to force General Oviedo, then the head of the Paraguayan Armed Forces, into early retirement. Run through the networks of the Inter-American Dialogue, the Washington-based think-tank which promotes London's policies across the Americas, that operation succeeded in ousting Oviedo for supposedly being "anti-democratic." As an *EIR* feature reported at the time (see *Documentation*), London orchestrated an alliance of Paraguay's neighbors in Mercosur (the Southern Cone Common Market)—Argentina, Brazil, and Uruguay—to intervene in Para-

guay's internal affairs, with plentiful U.S. State Department backing, and to use a pliant President Juan Carlos Wasmosy to oust Oviedo. That achieved, and the principle of "limited sovereignty" established, the British figured they were on the short road to eliminating Paraguay's military altogether, and to imposing unrestricted free trade across the Mercosur region. In a word, the British thought they were home free.

They were wrong.

On Sept. 7, 1997, the Colorado Party chose Oviedo as their Presidential candidate—over the protestations of President Wasmosy, who is also of the Colorado Party, and today a bitter factional opponent of Oviedo's; and of the Anglophile U.S. ambassador to Paraguay, Robert Service, who intoned that Oviedo "doesn't have democratic credentials."

As a result of Service's patronizing remarks, Oviedo's popularity rose by 8% in the polls.

Paraguay is an independent-minded country, that twice in the last 150 years has been devastated by invading foreign armies, and therefore much values its sovereignty. General Oviedo is a spokesman, albeit an unsophisticated one, for that nationalist tradition which identifies itself with 19th-century President Carlos Antonio López (1844-62), who transformed Paraguay into the second most industrialized nation of the Americas, after Abraham Lincoln's United States.

In an interview published on Oct. 2, 1997, Oviedo stated: "Carlos Antonio López was a great President because under his tenure Paraguay became the richest, most prosperous Latin American country. He demanded that Paraguay's sovereignty be respected. . . . I plan to restore sovereignty, self-determination, and security in this country."

What followed Oviedo's remarks, beginning the very next day, were a series of actions to stop him at all costs, which have made a mockery of London's much-ballyhooed promotion of "democracy and globalization."

'Globalized democracy'

Oct. 3, 1997: President Wasmosy orders the disciplinary arrest of General Oviedo for 30 days, for statements to the press which are deemed "prejudicial to the President." Oviedo's lawyers file diverse appeals.

Oct. 29, 1997: tired of waiting on the courts, Wasmosy orders loyal police and Army troops to surround Oviedo's home and arrest him. Oviedo was not there.

Nov. 2, 1997: Justice Minister Sebastián González Ins-

frán resigns in protest against Wasmosy's unilateral action.

Nov. 4, 1997: Raquel Marín de Oviedo, the general's wife, informs the press that Oviedo has gone into hiding, because "they want to kill my husband. . . . We have information that they are trying to eliminate him, either through an arrest or by kidnapping either one of his children or me, in order to force him out of the political arena."

Dec. 12, 1997: The Supreme Court rules that the Presidential arrest order against Oviedo is valid, and can be extended from 30 to 90 days at the President's whim. That same day, Oviedo turns himself in at the Army's First Infantry Division, to serve his sentence.

Dec. 15, 1997: A former Paraguayan diplomat files charges against Oviedo, accusing him of trafficking in toxic wastes in 1990. The diplomat assures the court that Greenpeace, the radical environmentalist group run by Prince Philip's networks, "has films and other evidence" in its possession.

Jan. 8, 1998: A military court complies with a Supreme Court ruling, that pending charges against Oviedo are to be handled by civil courts.

Jan. 10, 1998: The military court reverses itself and, in violation of the Supreme Court, reopens the Oviedo case.

Late January 1998: In an unprecedented procedure, lawyers for President Wasmosy file motions on behalf of the supposedly independent military tribunal, to keep the case in their hands. Through various motions, the Presidential legal team disposes of four different civil judges who were handed the case, one after the other.

Jan. 30, 1998: The fourth judge, Angel Cohene, rules against the President's lawyers, and is about to free Oviedo. That day, troops loyal to Wasmosy carry out tank and air maneuvers, which "convince" an appeals court judge to remove Judge Cohene from the case. Presidential lawyer Julio Vasconsellos explained the incident matter-of-factly: "We were not going to comply with any order to free him by the judge [Cohene], because it would be lacking in validity, and the Constitution authorizes non-compliance with orders that lack validity."

Feb. 2, 1998: President Wasmosy orders radio station Radio Uno AM shut down, for running a program making fun of the military threats against any and all judges who might rule in favor of Oviedo.

Feb. 3, 1998: President Wasmosy backs down and reverses his decision to shut the radio program. Numerous Paraguayan politicians, journalists, lawyers, and others had denounced the measure as unconstitutional and arbitrary.

Now what?

The *Financial Times* of London summarized Britain's quandary on Jan. 20. Opposition candidate Domingo Laino, whose campaign "centres on a pro-free market, anti-corruption platform," would be far better than the "fiery populism" of General Oviedo, they note wistfully. "But [President Wasmosy's] strategy of blocking the candidacy [of Oviedo] at all

costs, brings dangers of its own. 'The risk is of forcing the country's still-weak democratic institutions, especially the justice system, beyond their limits,' said political analyst Carlos Martini."

And if that happens, how can London continue to use "democracy, human rights, and globalization" as a battering ram against the institutions of the nation-state, in the rest of Ibero-America?

Documentation

The British 'one world' coup against Paraguay

In its May 17, 1996 issue, EIR ran a feature on the previous month's British operation to oust Gen. Lino Oviedo, noting that it hearkened back to the 19th-century Triple Alliance War, in which London's puppets Argentina, Brazil, and Uruguay decimated the then-developed nation of Paraguay. Excerpts follow.

In 1846, the United States consul in a certain South American country reported to the State Department that this was "the most powerful nation in the New World, after the United States. Their people are the most united. . . . Their government is the richest of all the states of the continent. . . ."

That same country was South America's most developed nation at the time of the U.S. Civil War. It was the second in the sub-continent to build a railroad, which it did in 1856. By the 1850s, it was self-sufficient in food, had a totally literate population, and was industrializing at a healthy pace. Moreover, it did this with aggressively protectionist economic policies modeled on the American System of political economy of Alexander Hamilton.

Because of those achievements, that highly developed country was then subjected to a British-sponsored invasion by three of its neighbors, and a war of extermination followed from 1865-70, which killed off half the population, including 80% of all males. The explicit justification of that war was that it was necessary to stamp out all vestiges of protectionism, and impose the British doctrine of free trade.

This was the infamous Triple Alliance War, perhaps the most atrocious population war of the nineteenth century. And the enemy that the British targeted for destruction, was the nation of Paraguay. . . .

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. . . .

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 Teachers College 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. . . .

In April 1830, Brazil's consul in Paraguay, Correia 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. . . ."

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. . . . 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.

DO YOU KNOW

- that the American Revolution was fought ~~against~~ British "free trade" economics?
- that Washington and Franklin championed Big Government?
- that the Founding Fathers promoted partnership between private industry and central government?



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