

Coup That Wasn't": "It is hard to overstate the historical significance of this willingness of South America's largest economies to intervene—boldly and openly—in the domestic affairs of another Latin state."

2. "Free trade" will reign supreme. No opposition to this British economic doctrine will be tolerated; those who try, will be attacked for being "undemocratic." Regional trade pacts, such as the Southern Cone Common Market (Mercosur), will be used as instruments to impose free trade, as British agent Henry Kissinger has repeatedly insisted. Again Feinberg: "Mercosur also gave Paraguay's neighbors powerful leverage over its political destiny. . . . Free trade has become a powerful supporter and guarantor of democracy."

3. Brazil, the largest power in the region, took a decisive step toward becoming a regional enforcer for the World Government. One Brazilian government after another has balked at this long-standing objective of such British agents as Kissinger. But under the Inter-American Dialogue's Fernando Henrique Cardoso, Brazil not only joined in the political bashing of Paraguay, but actually threatened military action as well. As Feinberg noted with smug satisfaction: "Traditionally, Brazil was a high priest of the 'national sovereignty' school, which opposed liberal internationalism. Today, common commercial interests make it impossible to pretend that any country in the region is an isolated island."

### The plot against the armed forces

Above, we asserted that the late April events in Paraguay unfolded as if part of a pre-planned script. In one sense, that script was written 130 years ago by the British, during the Triple Alliance War. But there is a more recent referent, as well. Beginning in the 1980s, the British designed and put into operation what *EIR* has elsewhere documented as "The Plot to Annihilate the Armed Forces and the Nations of Ibero-America." In fact, *EIR* published a book with this title in 1993 (see excerpts, p. 32). "Free trade" and "democracy," we warned, were the by-words of this plot.

That plot progressed in Paraguay in late April. If it is not stopped, and the armed forces of Ibero-America are in fact dismantled, then entire nations will soon disappear. Almost every country of Ibero-America is today under deadly assault on two fronts: by the genocidal free-trade policies of the International Monetary Fund, and by the international drug cartels and their allied narco-terrorist armies. Without a viable military, no nation can long withstand such an onslaught.

For example, it is this policy which is keeping the narcodictator Ernesto Samper in power in Colombia, despite the incontrovertible evidence that he took \$6 million from the Cali drug cartel. Samper is a lifelong proponent of drug legalization, and is Britain's model of "democracy" at work. One can't help but ask how it is that the "international community" was able to topple Paraguay's General Oviedo in 72 hours, and yet it somehow hasn't managed to force Samper out of office after nearly a year of escalating scandals. Who, after all, is the greater threat to democracy?

## How the Dialogue encircled Paraguay

by Cynthia Rush

The following is a chronology of events surrounding the supranational deployment against Paraguay during the week of April 22-26, to stop an alleged "coup threat" by Army Commander Gen. Lino César Oviedo. Based on reports from media and on-the-ground observers, the chronology points to the total control over Paraguayan President Juan Carlos Wasmosy exercised by U.S. Ambassador **Robert Service**. From the outset, Service activated assets of the **Inter-American Dialogue** (IAD) in neighboring countries, to surround Paraguay and enforce its "democracy."

Crucial in creating the environment for actions against Paraguay's Armed Forces was the Feb. 28-March 3 trip to five Ibero-American countries by U.S. Secretary of State Warren Christopher, followed by the March 10-14 trip to Chile and Venezuela by U.S. Secretary of Defense William Perry. The agenda



Warren Christopher

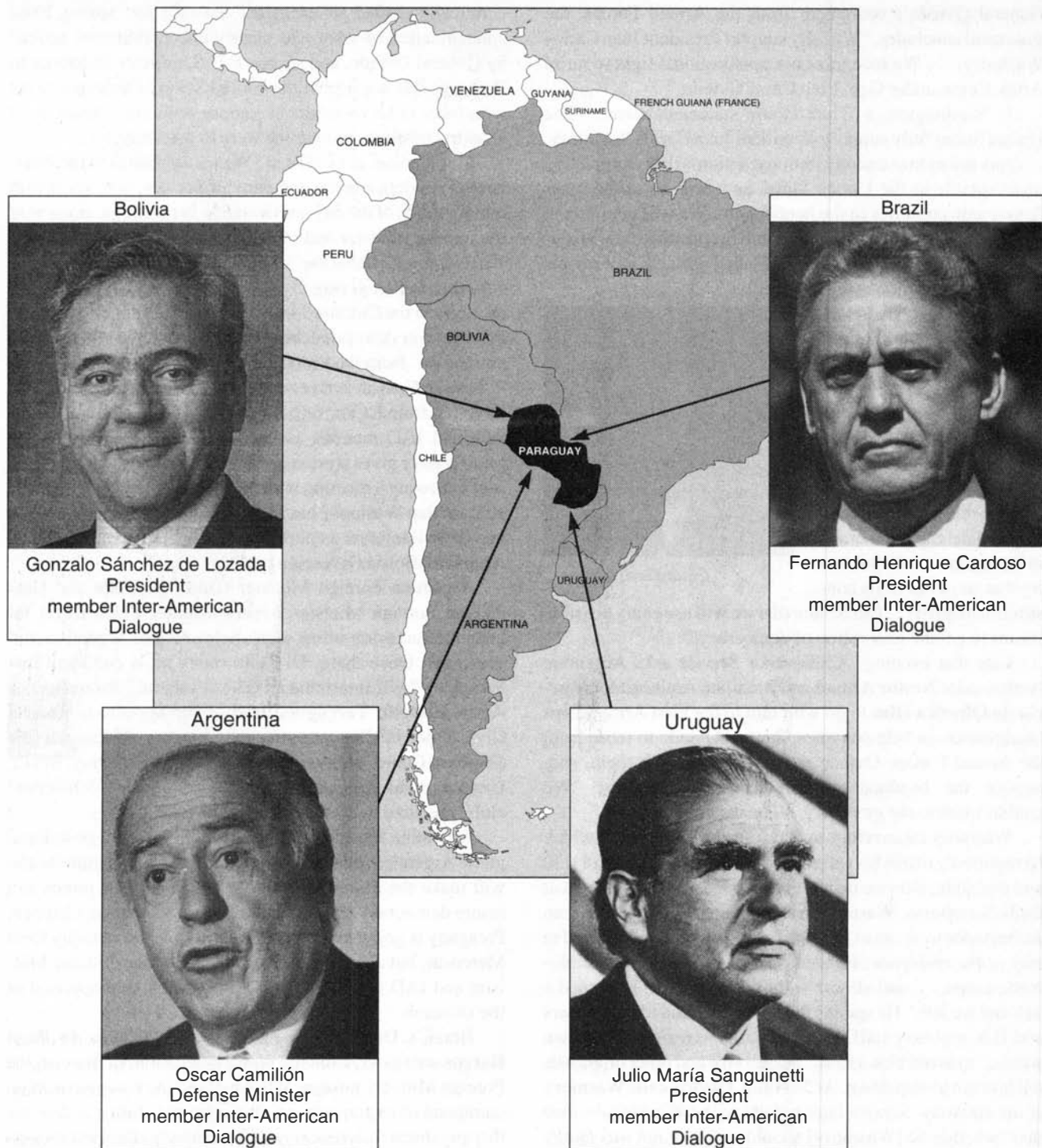
for both tours was "democracy and free trade," and the need to demilitarize the continent, as per the recommendations of the July 1995 Defense Ministerial of the Americas, in Williamsburg, Virginia.

### April 22

**President Juan Carlos Wasmosy** of Paraguay holds a 7:30 a.m. meeting with **Gen. Lino César Oviedo**, head of the Army, and **Gen. Silvio Rafael Noguera**, head of the Armed Forces. Items on the agenda include how the Armed Forces' budget will be cut, as well as a planned promotion for General Oviedo, who is slated to replace General Noguera in May, and be promoted to the rank of four-star general.

The three-hour meeting is heated, with General Oviedo objecting to the cuts. As Oviedo leaves the meeting, Wasmosy fires him from his position as Army commander. By 2:00 p.m., Wasmosy signs the official order for Oviedo's removal. (In subsequent interviews with foreign reporters, Oviedo disputes this account. He claims that Wasmosy only gave him a piece of paper with the name of his replacement, but never indicated a time or date by which he expected Oviedo to step down. "I never received an order," Oviedo said.)

Through one of Wasmosy's friends, General Oviedo



sends a message from the First Army Corps headquarters to the President, refusing to obey the order.

Within moments, Wasmosy calls U.S. Ambassador Service to advise him of a "threat to the constitutional order." Service immediately calls the U.S. State Department, which issues a statement. Asunción is awash in coup rumors, and by 5:00 p.m., Radio Cardinal is reporting that General Oviedo "has been confined to barracks and is in a state of rebellion."

The first official word of the alleged revolt in Asunción comes from the U.S. embassy, whose statement is released via the popular Radio Ñanduti. It reads: "General Oviedo did not obey the President's decision to retire him. This represents a direct challenge to the constitutional order in Paraguay. . . . The U.S. government emphatically believes that democratic norms do not permit the participation in politics of any active-duty military officer." Giving May 15 as the deadline for

General Oviedo's retirement from the Armed Forces, the statement concludes, "We fully support President Juan Carlos Wasmosy. . . . We recognize his constitutional right to retire Army Commander Gen. Lino César Oviedo."

In Washington, a White House statement warns: "The United States fully supports President Juan Carlos Wasmosy. . . . Any resort to extraconstitutional action will be completely unacceptable to the United States as it will be to the other democratic countries in the hemisphere. We will continue to monitor the situation in Paraguay and in consultation with our OAS [Organization of American States] partners will review the full range of necessary actions."

U.S. Acting Secretary of State **Strobe Talbott** calls **César Gaviria**, secretary-general of the OAS, then on an official visit to Bolivia. Gaviria issues a statement threatening, "I am sure that all democracies of this continent will move to defend democracy in Paraguay. . . . Any country that steps out of its constitutional order. . . can be sure that we will use every possible means to get the restoration of democracy."



César Gaviria

Late that evening, Ambassador Service asks Argentine Ambassador **Nestor Ahuad** and Brazilian Ambassador **Marcio de Oliveira Dias** to go with him to the First Army Corps headquarters to help convince General Oviedo to retire from the Armed Forces. Oviedo refuses to meet with them, and, outside the headquarters, Service tells reporters, "We couldn't talk to the general. . . . The danger continues."

Wasmosy takes refuge at Navy headquarters, from which he reportedly offers his resignation to Oviedo. Between 11:30 and midnight, Service insists that Wasmosy stay overnight at the U.S. embassy. Wasmosy later explains that "the American ambassador took me to the embassy, *even though I wanted to stay at the residence*. He said, 'Sir, here is the entire diplomatic corps. . . ' and almost without realizing it, I boarded a van and we left." He spends the night surrounded by advisers and U.S. embassy staff. He is prepared to resign, in his own words, "to avoid bloodshed," but Service and other diplomats tell him not to step down. At 3:00 a.m. Gaviria calls Wasmosy at the embassy. Service later reports to the *Washington Post* that "whether he [Wasmosy] should resign or not *was finally resolved* when he got the call from Gaviria."

## April 23

Strobe Talbott speaks at an emergency session of the OAS, where he reports he has consulted Warren Christopher, an IAD member. Talbott also invokes Resolution 1080—the Santiago Commitment to Democracy—calling for a collective response to any nation in which there is an "irregular interruption" in the "legitimate exercise of power by the dem-

ocratically elected government." He calls for "strong, blunt condemnation of what was clearly unconstitutional action" by General Oviedo, and suspends U.S. military assistance to Paraguay. He warns that the United States is prepared to act with other OAS members to impose economic sanctions, if an extraconstitutional regime were to take over.

In Asunción, at 11:00 a.m., Wasmosy returns to the Presidential residence in the company of Service, who stays with him for much of the day, participating in meetings, along with the interior minister and close aides. Service explains to the *Washington Post* that the "diplomatic effort" at that point was concentrated on giving Oviedo a dignified exit, by offering the general the Defense Ministry. Oviedo later tells reporters that he never demanded the post, but that "eight authoritative emissaries" from the President offered it to him.

César Gaviria arrives in Asunción early that morning, traveling from La Paz on a plane provided by Bolivian President and IAD member **Gonzalo Sánchez de Lozada**. He immediately gives a press conference at the Presidential palace, following a meeting with the entire diplomatic corps. He stresses that Wasmosy has full international support, and that no one will tolerate a coup. Traveling with Gaviria is **Jaime Aparicio**, Bolivia's foreign minister.

Argentine Foreign Minister **Guido Di Tella** and Uruguayan Foreign Minister **Alvaro Ramos Trigo** travel together to Asunción, along with a delegation of Argentine congressmen. Once there, Di Tella states he is confident that Wasmosy "will smash the rebellious general." From Buenos Aires, **Rodolfo Terragno**, head of the opposition Radical Civic Union (UCR), states that the countries of Mercosur (the Southern Cone Common Market, of which Paraguay, Brazil, Uruguay, and Argentina are members) are a "democrats' club" prepared to act against Paraguay.

Argentine President **Carlos Menem** offers to go to Paraguay. Argentina, he says, "is going to take a firm attitude and will make the Paraguayan military change their minds and insure democracy stays in control. . . . If that doesn't happen, Paraguay is going to find itself totally isolated, not only from Mercosur, but also from the world." Argentine Defense Minister and IAD member **Oscar Camilión** is kept apprised of the situation.

Brazil's Deputy Foreign Minister **Sebastião do Rego Barros** arrives in Asunción with a delegation. In Brasilia, the Foreign Ministry informs Wasmosy and the Paraguayan high command of its concern over the coup possibility, and warns that any threat to democracy will "seriously affect the cooperation between Brazil and Paraguay in all its aspects." Brazilian President and IAD member **Fernando Henrique Cardoso** is in constant phone contact with Wasmosy, Carlos Menem, and Uruguayan President **Julio Marí Sanguinetti**.

In Brasilia, Cardoso meets with his own military command to discuss the crisis. Brazil's Army Minister General Zenildo de Lucena calls Oviedo to threaten him with reprisals, were the "coup attempt" to go forward. Aside from expelling Paraguay from Mercosur, General Zenildo tells Oviedo that

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