Manifold Destiny
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Published by Vanderbilt University Press

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PART I

AUTHORITARIAN LEGACIES

(1960s–1990s)
Lebanese, Palestinians, and Syrians traded westward and eastward, hardly upsetting the north-south asymmetry of this hemisphere. On the Brazilian side of the border, their exportation of Brazilian manufactures to Paraguay converged with Brazilian military heads of state who renewed the westward expansion previously known as the *marcha para o oeste* (march toward the west, in Portuguese).\(^1\) Likewise, Arabs in the Paraguayan border town imported consumer goods from Panama that were then sold to a mostly Brazilian clientele, fitting into the Paraguayan military head of state’s own geopolitical agenda, denominated as the *marcha hacia el este* (march toward the east, in Spanish).\(^2\)

In step with state-led marches, Arabs helped draw Paraguay, theretofore dominated by Argentina and the US, into Brazil’s expansive manufacturer and consumer markets from 1960s to the 1980s. Arabs led transnational trade and presided over business associations on each side of the Friendship Bridge between Foz do Iguaçu and what was then called Ciudad Presidente Stroessner (named after the Paraguayan military head of state, Alfredo Stroessner). Attracting attention in neither Argentina nor the US, Arabs at the border were investigated and absolved by the Brazilian military government after the 1970 attack on the Israeli embassy in the Paraguayan capital of Asunción. On the Brazilian side of the border, Arabs exported Brazilian-made manufactures to Paraguayan traders.
On the Paraguayan side of the border, they imported consumer goods from Panama’s free trade zone for sale to mostly Brazilian clients. Through liberal trade exceptions in illiberal regimes, Arabs animated a semiperipheral America that neither simply led to nor derived from US sway in the hemisphere.

This chapter engages with Paul Amar’s emphasis on the autonomy of the semiperiphery. World systems theorists in the 1960s viewed semiperipheral countries like Brazil and Argentina as mitigating between an economic core or center, namely the US, and a periphery, such as Paraguay. Building on Amar’s rethinking of the semiperiphery as “generative,” instead of primarily derivative, this chapter looks at economic hierarchies that cannot be reduced to or explained by US influence in Latin America during the Cold War. On the Brazilian side, Arabs extended Brazilian manufacturing over Paraguay. On the Paraguayan side, Arabs expanded Brazilian consumption with imports from the Colón Free Zone (CFZ), which the Panamanian government opened to wrest some economic benefit from US control of the Canal Zone. In helping Brazil “replace Argentina and the United States as Paraguay’s principal source of capital and technology,” Arabs folded into this semiperipheral America that can “neither fully escape . . . nor be reduced” to America’s so-called core.

Arabs provide a refreshing approach to well-studied liberal economic agendas under authoritarian rule. Turning from state capitals to frontiers, this chapter asks how migrant traders negotiated liberal economic policies of otherwise illiberal, inward-oriented regimes during the construction of the Itaipu hydroelectric dam between Brazil and Paraguay. On the Brazilian side, Arabs used the military regime’s tax exemptions in order to export Brazilian-made manufactures to Paraguayan clients across the Friendship Bridge. On the Paraguayan side, Arabs used the dictatorship’s “special” import taxes to bring in consumer items that were sold to Brazilian “shoppers” (called compristas or sacoleiros, in Spanish and Portuguese) who crisscrossed the same bridge. These state fiscal exceptions begun by illiberal authorities were continued by liberal successors, who became increasingly suspicious of Arab traders
due not to perceived political subversion but rather presumed tax evasion and other speculations about economic duplicity. In authoritarian and post-authoritarian times, Arabs came to terms with exceptional rule in ways that undermined their fuller enfranchisement later on.

Redrawing Borders Westward and Eastward

Early Arab migrants helped expand the manufacturing center of São Paulo westward into one of Brazil’s economic fringes, then called a região das três fronteiras (the region of the three borders, in Portuguese) or tres fronteras (three borders, in Spanish). As mentioned in the introduction, in 1951, a sojourner from Baaloul, Ibrahim Barakat, headed to Brazil while his brothers and co-villagers went to Canada and the US. After “peddling with some friends” in the state of São Paulo, Ibrahim’s sales routes led him southwestward into the state of Paraná. Eventually, he reached Foz do Iguaçu on the western edge of Paraná that borders with Paraguay. His son recalled: “My father said that at the time, there was not any cloth or clothing. In two or three weeks, he sold everything and, like this, he kept traveling between São Paulo and Foz do Iguaçu.”

Supplied from São Paulo, Ibrahim set up a shop of clothing and accessories on Avenida Brasil (Brazil Avenue), the main street of the then small town of Foz do Iguaçu.

Ahmed Hamad Rahal extended the influence of São Paulo even further. In 1951, with empty pockets, he departed the same village of Baaloul for São Paulo. As his sales routes led him into the state of Paraná, this Rahal continued westward until he reached Foz do Iguaçu, encountering a few other Arab families, including the Barakat’s. Rahal sold clothing and accessories by boat on the Paraná River between Brazil and Paraguay, a decade and a half before the building of the Friendship Bridge. In 1953, his brother, Mohamad, arrived in Foz do Iguaçu. Ahmed’s wife followed three years later. By 1958, with start-up capital saved by commercializing goods from São Paulo and other coastal industries, the Rahal brothers opened A Casa das Fábricas (The Factory Outlet, fig., in Portuguese) on
Avenida Brasil. Later, the brothers founded an export firm on the Brazilian side of the Friendship Bridge, catering to clients from Paraguay’s then underdeveloped este (East, in Spanish).12

Likewise drawing upon, and being drawn into, the expansion of São Paulo into Brazil’s west and Paraguay’s east, Mohamed Ali Osman traded amid the São Paulo coffee boom overflowing into the northern part of the Paraná state where he settled with his brother.13 In the early 1950s, Osman was given a trunk full of clothes, and as he recalled, “I went off peddling. . . . I would sell on the farms, plantations, and in the coffee fields of the region.” This Osman soon started a business buying and selling coffee beans and other grains. In 1959, his younger brother Mustafa arrived and also peddled in northern Paraná, still dependent upon São Paulo’s coffee boom. With their savings, the brothers headed westward to Foz do Iguaçu and opened a lojinha (little store) of clothing and knick-knacks (armarinhos) on Avenida Brasil, with suppliers based in São Paulo and elsewhere. As examined later, these and other Osman brothers went on to establish an export firm, Têxtil Osman Ltda., with mostly Paraguayan customers.

At the time, these continental marches were led by migrants from villages in Lebanon’s Beqaa Valley. Originally from Baaloul, the aforementioned Ibrahim Barakat, and his wife, Amine, sponsored the migration of the Omairi family from the neighboring village of Lela where Amine was born. In 1967, Akra Omairi arrived from Lela and was later joined by his brother, Mohamad. Together they set up shop on the Brazilian side of the border. Years later another Omairi family from Lela opened an import/export tire company, Ferrari Cubiertas S.R.L. (Ferrari Tires), on the Paraguayan side. Migrants from the Ghotme, Mannah, Tarabain, and other families repeated such trajectories from Lela and equaled in number their counterparts from Baaloul who ran businesses on the Brazilian and Paraguayan sides of the border. Others departed from elsewhere in the Beqaa Valley and South Lebanon, but the largest portion of migrants in the 1950s, 1960s, and 1970s stemmed from Baaloul and Lela.

These and other Arabs helped redraw a hemispheric border between west and east without upsetting the north-south order of the US Alliance for Progress in Latin America.14 Mohamad Rahal
stated that he and other migrants chose Foz do Iguaçu because “bordering with two other countries was really important. We knew that Paraguay wasn’t industrialized . . . so we were certain that Paraguay would be a great market for industrialized goods” (from Brazil).

As noted, he and others peddled manufactures from mostly São Paulo on the Brazilian and Paraguayan sides of the border. Abdul Rahal, another member of beyt Rahal (Rahal “house,” lit., or “lineage,” fig., in Arabic) who arrived on the Brazilian side at mid-century, remembered the “cold” nights he spent on his sales routes that brought Brazilian goods into the “East of Paraguay.” Rahal continued, “at that time, around 1959, Argentina was the power over Paraguay. Only Argentine products were allowed.” So when he straddled the river by boat selling Brazilian-made wares to Paraguayans, Rahal laughed, “it was if they had seen a snake with two heads.”

Indeed, in 1960, Argentina and the US were the largest sources of imports into Paraguay, while Brazil accounted for less than 1 percent. Arab traders helped strengthen Brazil’s economic expansion over Paraguay with continental ramifications.

In sidestepping the town of Puerto Iguazú on the Argentine side of the border, Arabs signaled the end of Argentina’s “long-run advantage” over Paraguay, to borrow a phrase from historian Harris Gaylord Warren. In 1969, the Argentine official, Isaac Rojas, warned of Argentina’s loss of influence to Brazil in the River Plate Basin (Bacia do Prata, in Portuguese, and Cuenca del Plata, in Spanish), a watershed basin of three million kilometers whose center is the border where Brazil, Paraguay, and Argentina meet. At the time, Argentina’s largest newspaper, Clarín, bemoaned this geopolitical loss in a series of reports on “Puerto Iguazú,” located in the Argentine province of “Misiones,” named after the ruins of Jesuit missions, flanked by Paraguay to the west and Brazil to the east. Though mentioning the cataratas (waterfalls) as a “Giant of America,” Clarín bemoaned Puerto Iguazú’s lack of “progress” in relation to not only other parts of Argentina but also the “booming” Brazilian and Paraguayan sides of the border. “Argentina is losing the battle against Brazil and Paraguay,” decried Clarín, expressing envy of the “developed infrastructure” along “the Friendship Bridge, over the Paraná River.” The Argentine daily called to connect the Argentine side of
the border to the Brazilian side as well as a paved roadway to Posadas, the provincial capital of Misiones. Arabs generally avoided the Argentine side that was relatively detached from the wider border.

Trading across the Friendship Bridge between Brazil and Paraguay, Arabs helped to displace Argentina without drawing attention from the US. On the Brazilian and Paraguayan sides of the border, Arabs brought in goods on Paraná’s federal highway, the BR-277, which led from and to the Atlantic Ocean port of Paranaguá where the Brazilian government had conceded a duty-free zone for Paraguay. The infrastructure enabled the transportation
of manufactures westward from Brazil to Paraguay, and in return, agricultural goods eastward from Paraguay to Brazil. The Paraguayan military head of state characterized this link to the Brazilian coast as a “second lung,” in addition to the port of Buenos Aires in Argentina that had theretofore been landlocked Paraguay’s primary maritime access. Not jeopardizing relations with the US, Paraguay’s turn from Argentina toward Brazil gained momentum after the founding of “Ciudad Presidente Stroessner” (as noted, later renamed “Ciudad del Este”) at the border in 1957. At the Friendship Bridge, Arab importers and exporters embarked upon a new west-east passage in a hemispheric America generally imagined on a north-south grid.

Paraguay’s eastward turn toward Brazil materialized in the new Paraguayan border town where Arabs increasingly led much of the trade and finance. Initially, Christian Syrians from the Paraguayan capital of Asunción acquired real estate in what became the town’s “microcenter.” Known by his initials, HDD, Humberto Domínguez Dibb obtained sizeable properties and was said to have owned shares in the Paraguayan border town’s *Acaray Casino*. HDD was
born to Syrian-Lebanese parents in Asunción in 1943. His marriage to Stroessner’s daughter, Graciela, magnified his sway. Known for imported cloth in Asunción, Elias Saba constructed one of the first buildings in the Paraguayan border town in 1973, and Saba’s own son married the daughter of General Andrés Rodríguez before the latter led an internal coup that toppled Stroessner, discussed later. With such high-profile marriages, Arabs’ image transformed from that of lowly peddlers to high rollers. On his own path of upward mobility, Mihail Bazas hailed from the same Syrian village as HDD’s parents, Mharde (Muharda), near Hama. Bazas was based in his uncle’s wholesale business in Asunción and followed a sales route that ended in the Paraguayan border town. Having arrived in 1967, Bazas recalled that his uncle’s store specialized in imports from Germany and Japan, such as personal care accessories, like nail clippers, as well as gift items including stainless-steel cutlery sets and ceramic or crystal decorations. His uncle placed the orders through a German importer in Asunción, and Bazas served as the distributor to predominantly Muslim Lebanese retailers based in Ciudad Presidente Stroessner, who in turn sold such products to mostly Brazilian customers temporarily crossing over the bridge.

Catering to these Brazilian clients, Muslim Lebanese from Baaloul and Lela established brick and mortar stores in the Paraguayan border town while their Christian counterparts, with the exception of Bazas, generally remained in the Paraguayan capital. In the mid-1960s, Ali Said Rahal from Lela opened the Casa de la Amistad (Friendship Outlet, fig., in Spanish) named after the bridge. Located on Avenida San Blás, the main thoroughfare of the Paraguayan border town, this Rahal catered to Brazilian consumers in search of name-brand imports without the high taxes of Brazil’s then protectionist economy. According to his son, Fawas, the father “would sell whiskey, imported spirits that you didn’t have here, as well as Lee jeans.” Hussein Taijen from Baaloul, who soon sponsored the migration of his brother, Said, opened the Casa Colombia (Colombia Outlet, fig., in Spanish). According to Said, the brothers set up their shop “next to Rahal’s store.” The name of the store derived from Hussein’s migration route from Lebanon to Colombia, around 1963. Moving from Barranquilla to Maicao on the
Colombian-Venezuelan border, this Taijen subsequently headed to Foz do Iguaçu until permanently settling in the Paraguayan border town in 1969.36 His Casa Colombia sold clothing, perfume, liquor, electronics, and other items for Brazilian and Argentine customers. As explored later, in the 1970s and 1980s, Rahal, Taijen, and other Arabs in the Paraguayan border town imported consumer goods from Panama for sale to consumers based on the other sides of the border.

Arabs at the border became subjects of interest of the Brazilian state after an unrelated shooting occurred at the Israeli embassy in Asunción on May 4, 1970.37 Brazilian, and not Paraguayan,38 media directed suspicion toward Arabs at the border, citing the Paraguayan police as a source in questioning whether “the guns used by two Palestinians in the attack against the embassy of Israel in Asunción could have been bought in Brazil.” By September 1970, the Department of Political and Social Order (DOPS) of Brazil’s Federal Police in Curitiba solicited the police commissioner in Foz do Iguaçu to investigate several allegations.39 On a mimeograph entitled “Activities of Arab Terrorist Organizations in Brazil,” DOPS asked whether Arabs at the border were involved in Palestinian causes and helped plan the embassy attack in Asunción. Three Lebanese in Foz do Iguaçu and Ciudad Presidente Stroessner were named as suspects and alleged contrabandistas (tax-evasive “smugglers”). After a month, however, the officer responded that no evidence linked the shooting in Paraguay’s capital to this border. His report, however, provided details about mostly Lebanese and Palestinians who lived in Foz do Iguaçu and operated businesses in Ciudad Presidente Stroessner, including passport or ID information as well as home and business addresses. The Brazilian state used the incident in the Paraguayan capital to surveil Arabs at a border of increasing significance.

Gaining institutional influence the same year in Paraguay’s east, Hussein and Said Taijen co-founded what was called the Centro de Comerciantes de Ciudad Presidente Stroessner (Center for Traders of Ciudad Presidente Stroessner).40 In 1972, it was renamed the Cámara de Comercio (Chamber of Commerce) of Ciudad Presidente Stroessner “by a decree made by Stroessner.”41 Said explained
that the chamber of commerce was established with the intention to “help the city’s commerce progress” and “represent the interests of traders before the government.” Although the first president was a “paraguayo” (Paraguayan), Said pointed out that mostly Arabs and Asians were founding members since they controlled much of the border town’s trade. By the early 1980s, Hussein became president of the chamber of commerce and held the post for the next two decades. In interacting with other chambers of commerce as well as governments and businesses, Taijen’s presidency put him in a key position to arbitrate disputes among importers in the Paraguayan border town and suppliers abroad.

Likewise gaining influence in Brazil’s west, Fouad Mohamed Fakih was invited to become president of the Commercial and Industrial Association of Foz do Iguaçu, known by its acronym, Acifi, mentioned in the introduction. Founded by lumber traders decades before,42 Acifi expanded into commercial affairs under Fakih’s two mandates from 1974 to 1980. Born in Baaloul, Fakih migrated to Brazil as a young boy after his father, Mohamed (nicknamed sr. Júlio), returned to Lebanon after a short stint in Colombia.43 With his parents and five siblings, Fakih studied in schools on the outskirts of Foz do Iguaçu. Attentive to news reports about the Itaipu dam project, Fakih decided to settle in the city because, as he later recalled, Foz do Iguaçu had “a very promising perspective” since “it bordered on two countries.”44 Initially, Fakih opened “uma lojinha de roupas” (a small clothing store) on Avenida Brasil.45 His subsequent appointment as Acifi president put him in a position of influence in relation to Foz do Iguaçu’s military-appointed mayor, Coronel Clóvis Viana, who Fakih lobbied to ensure the donation of a public plot of land where Acifi’s headquarters were built.46 This Arab-led trade took shape as Brazilian and Paraguayan states signed the Itaipu Treaty in 1973, flowing alongside the “pharaonic” construction of the world’s then largest hydroelectric dam.47

Centering Brazil on the Continent

Arabs’ exportation of Brazilian manufactures to Paraguay side-stepped Argentina and avoided taking on the US. From Avenida
Brasil in the city center of Foz do Iguaçu, most Arabs opened export-trading firms (exportadoras) in the neighborhoods of Jardim Jupira and Vila Portes next to the Friendship Bridge. Introduced earlier, Ahmed and Mohamed Rahal used profits from their shop to open Exportadora Tupy (Tupy Export) in 1968, selling several lines of Brazilian-made manufactures to Paraguayan clients.\(^\text{48}\) Abdul Rahal established the Exportadora Líder (Leader Export) that earned “12 million cruzados a month selling processed foods and cleaning supplies to Paraguay.” According to this Rahal, “Early on, we would sell only to buyers in the Paraguayan capital of Asunción . . . [but] Itaipu brought the clientele almost to within our stores.”\(^\text{49}\) Akra and Mohammad Omeiri opened the Exportadora Real (Royal Export), which a Brazilian newspaper later characterized as “an example of immigrants [in Brazil] taking initiative with Paraguayans in commercial affairs.”\(^\text{50}\)

Arabs applied for Brazilian state fiscal exceptions and avoided questioning the National Security Doctrine that suspended constitutional processes, more fully addressed in the next chapter. The bureaucratic state’s first Minister of Finance, Roberto Campos (1964–1967), and his successor, Antônio Delfim Netto (1967–1974), expanded an “export incentive program” for “the rapid growth and diversification of exports,” prioritizing the creation rather than distribution of wealth.\(^\text{51}\) Passed in 1969, “Law-Decree Number 491” provided “fiscal incentives,” mostly tax exemptions, for the “exportation of Brazilian manufactures.”\(^\text{52}\) Arabs and others at the border used this law and avoided questioning “Law Number 5449” that gave federal authorities the right to appoint mayors in “Áreas de Interesse da Segurança Nacional” (Areas of National Security Interest), including Foz do Iguaçu. In 1974, Brazil’s National Security Council appointed the former army colonel, Clóvis Cunha Viana, as mayor of Foz do Iguaçu, just before Itaipu damn construction began.\(^\text{53}\) Viana remained in that position for the next decade while nominal elections with a censured list of candidates took place elsewhere.\(^\text{54}\) Arabs, like other merchants, applied for tax rebates and avoided challenging the military government.\(^\text{55}\)

In what came to be called the *comércio de exportação* (commercial exportation) in Foz do Iguaçu, Arabs leveraged the liberal
exceptions of illiberal government. Ibrahim Barakat and his son, for instance, cultivated long-lasting friendships with Brazilian state tax inspectors and high-level authorities through their businesses in Foz do Iguaçu which served clientele across the border. Although they were unduly investigated by intelligence and police forces after the unrelated May 1970 shooting at an Israeli diplomatic office in Asunción, mentioned above, the son, Mohamad, today emphasized not this repression but rather the policy that enabled exporters in Foz do Iguaçu to cut nearly in half their taxable income by selling Brazilian-made goods to Paraguayans.56 In an “area of national security,” on Brazil’s side of the border, Arabs’ most common experience with the military government was filling out a carbon-copy application form for exportation, the “guia de exportação” (Export Delivery Note) attached to the sales receipt of the exported goods and filed in the office of the Carteira de Comércio Exterior (Foreign Trade Portfolio, known by the acronym in Portuguese, Cacex) of the Banco do Brasil (Bank of Brazil). The Cacex branch in Foz do Iguaçu “was the agency that emitted the largest number of guias de exportação in Brazil.” When this paperwork procedure was digitalized years later, it was reported that the city of Foz do Iguaçu alone was annually generating 300,000 delivery notes, “the largest in volume” in Brazil.57 Rather than the intelligence and surveillance forces, Arabs emphasized greater contact with fiscal exceptional rule in authoritarian times.

Arab-run export businesses gained renown among financial and governmental officials in authoritarian times. The respective export firms of the Rahal and Osman brothers that sold “cloth and food staples to Paraguay” were etched into the memory of Tibiriça Botto Guimarães, a Brazilian of Portuguese origin born in the city of Joinville in the neighboring state of Santa Catarina. Guimarães recalled that, when he arrived in Foz do Iguaçu as a branch manager of the Banco Nacional do Comércio in 1967, “I would pick up the cash from these export firms in sacks. A lot of money was being made and the export firms were really growing.”58 In 1974, so many Arabs ran businesses in the aforementioned neighborhood of Jardim Jupira that a bill was proposed to rename one of the streets Rua República Árabe Unida (United Arab Republic Street), after the short-lived
Although that legislation never passed, two years later city councilor Aguinello Favero Haus proposed another bill that successfully renamed another thoroughfare in the same neighborhood Avenida República do Líbano (Republic of Lebanon Avenue). With the support of the military government’s political party (ARENA) that Haus belonged to, the bill related that, “one finds innumerable Lebanese there, constructing new buildings” and “they came here when the city still did not offer the best conditions of prosperity, helping our development.” The military-appointed mayor signed the bill into law the same year. For authoritarian-era bank employees and government officials, Arabs helped give rise to Brazil at this crossroads.

Arabs in Foz do Iguaçu utilized their networks with São Paulo in expanding Brazilian industrial influence westward into Paraguay’s east. In the mid-1970s, the Rahal brothers’ Exportadora Tupy became a beer and soft-drink distributor for Brazilian and multi-national companies based in São Paulo, starting out “with
two trucks and a thousand bottles” that they refilled in Foz do Iguaçu and delivered to Paraguayan customers. Exportadora Líder, owned and operated by their fellow migrant from Baaloul, Abdul Rahal, went on to become the distributor of the São Paulo-based textile company, Alpargatas, allegedly selling thirty thousand pairs of blue jeans every month to Paraguayan businesses in the early 1980s. Similarly, the Omeiri’s Exportadora Real became “the largest reseller of Cônsl,” a household electronics manufacturer in São Paulo, distributing refrigerators, stoves, and the like across Paraguay as well as other “Latin American countries.” Mohammed Osman’s Têxtil Osman Ltda. represented Kraft Foods and “various Brazilian brands with the exclusive right to exportation across Latin America.” The non- and semi-durable goods commercialized by Arab-owned exportadoras arrived from coastal Brazilian industries for storage in warehouses next to the Friendship Bridge. After being sold, shipments were transported westward across the bridge into Paraguay.

Arabs in Foz do Iguaçu specialized in Brazilian-based industrialized goods that were purchased by everyday Paraguayans. On the Brazilian side of the border, Arabs led commercial establishments that annually doubled in number “to attend to the neighboring country [Paraguay].” The “system of commerce” in Foz do Iguaçu, observed Nosso Tempo in 1983, included “supermarkets” and “stores that sell electrodomestic appliances and heavy machinery.” In 1986, the estimated three hundred “export businesses” in Foz do Iguaçu transacted an estimated one-hundred million dollars of external sales to Paraguay. From the neighborhoods of Jardim Jupira and Vila Portes, Arab-run firms commercialized canned foods, grains, textiles, household appliances, and some heavier machinery. In 1987, the former president of Acifi, Fouad Fakih, noted that “Paraguayans are responsible for 75 percent of all this [commercial] movement.” He continued: “Paraguay doesn’t produce practically anything and its population can’t afford to buy what is sold in Ciudad Presidente Stroessner, expensive products directed toward [Brazilian] tourists.” As a result, Fakih concluded, everyday Paraguayans shopped for clothing and foodstuffs as well as home appliances in Foz do Iguaçu. The familiarity of Arab-driven border trade was
evident when a Paraguayan client gave a blank check to Mohamed Osman and asked him to fill in the cost of her purchase. “It's trust,” Osman remarked. Another Paraguayan farm owner purchasing supplies in Foz do Iguaçu noted, “we came by car to get supplies and other necessary products for the start of the harvest.”

But Arabs in Foz do Iguaçu avoided criticism of authoritarian Paraguay and Brazil's support of it, despite exercising a range of political affiliations after the most repressive years of Brazilian military rule under Emílio Garrastazu Médici (1969–1974). In 1975, Mohamad Barakat became a naturalized Brazilian citizen. He and his father ran Novo Mundo Eletrodomésticos Ltda (New World Appliances), which the progressive newspaper *Nosso Tempo* called “one of the largest commercial businesses in Foz do Iguaçu.” Barakat later opened Barakat Free Shop, which specialized in domestic home supplies. Having studied in Canada and the US, Barakat cultivated this business savvy as he drifted toward the Partido Movimento Democrático Brasileiro (Party of the Brazilian Democratic Movement, known by the acronym in Portuguese, PMDB), after the legalization of a plural political party system in 1979. In contrast, Kamal Osman distanced himself from *Nosso Tempo* when the progressive newspaper drew the ire of the military-appointed mayor, who Osman welcomed at the grand opening of his store, Kamalito Magazine, on Avenida Brasil. This Osman had previously settled in the town of Assaí in northern Paraná and earned his degree in economics at the Universidade Estadual de Londrina before establishing his store that specialized in women’s, men’s, and children’s clothing, sports accessories, toys, house utensils, and kindred goods. Later, this Osman founded the mosque and inaugurated Kamal Osman Exportação to export Brazilian textiles and clothing to Paraguay. Discussed more in detail next chapter, Arabs on the liberalizing Brazilian side of the border did business with but avoided criticizing illiberal Paraguay.

Centering Brazil on the continent, Arabs and others in Foz do Iguaçu lobbied to export goods in Brazilian currency, the cruzeiro (Cr$, 1970–1986, 1990–1993) and the cruzado (Cz$, 1986–1990). According to Fakih, in 1975 Brazil’s Federal Revenue Secretariat passed a normative resolution to “do away with exportation” in Brazilian
currency and attempted to standardize Brazilian exportation in US dollars. Fakih recalled, “we had a fight of two years to maintain the system” in Brazil’s currency.76 At the end of his second term, in 1980, this “Homeric struggle” was continued by incoming Acifi president Wádis Benvenutti, a Brazilian of Italian origins, born and raised in Rio Grande do Sul. Benvenutti explained that Brazil’s exportation to Paraguay had the advantage over neighboring Argentina, whose exported goods in US dollars were more expensive. In Foz do Iguaçu, commercial exporters’ preference for Brazilian currency was also probably due to the practice of “profiting through stockpiling” (“ganhar em cima do estoque”), when they purchased large amounts of manufactures from Brazilian industries at a set price (in Brazil’s currency) and placed them in storage.77 With time, these stockpiles were worth several times their original value, as price indexes rose with skyrocketing Brazilian interest rates.78 Exporting in the US dollar would have curbed this lucrative tactic. Whichever was the key motivating factor, Arabs and other exporters successfully sought to export merchandise in Brazilian currency by repeatedly meeting with Cacex and other Brazilian government officials. Even in 1988, “Arab community leaders who commercially export via Foz do Iguaçu to Paraguay asked authorities to pressure Cacex in order to safeguard their (Arabs’) ability to make transactions in cruzados for all merchandise.”79 In a semiperipheral America, Arabs and others in Foz do Iguaçu secured “a freer exchange between the three countries (Brazil, Paraguay, and Argentina), since no one had US dollars.”80

Not taking on but unable to escape from the US, Arabs paid attention to Paraguayan purchase power that was tied to Brazilian exchange rates relative to the US dollar. When Brazil’s currency lost value relative to the US dollar, Paraguayans could afford to buy greater quantities of goods in Foz do Iguaçu, whether or not paying in Paraguayan currency, the Guaraní (₲). In 1980, a Brazilian reporter took note of the devalued cruzeiro that made Foz do Iguaçu into a “center for shopping . . . with the prices of foodstuffs and clothing cheaper than in Paraguay . . . . All kinds of goods are acquired in Foz and it’s obvious that there was a daily increase of Paraguayan . . . shoppers in Foz do Iguaçu, in order to obtain supplies of canned
goods, cereals, meats, and fruits and vegetables.” Contrastively, when Paraguay’s Guarani lost value in relation to the US dollar, Paraguayans curtailed shopping on Brazil’s side of the border. In 1985, commerce in Foz do Iguaçu nearly ground to a halt when the Guarani was devalued, losing more than half its value in relation to the US dollar. Accordingly, Arabs in Foz do Iguaçu priced exports in Brazilian currency and kept an eye on the value of the US dollar because the purchase power of their Paraguayan customers was tied to it. Arabs strengthened trade on the semiperiphery, neither escaping nor adopting the US currency in a hemispheric America. Moving aside but not removing so-called “manifest destiny,” Arabs folded into and took ownership of this semiperipheral America.

Paraguayan’s “Port” Linking Central and South America

Meanwhile, Arabs on the Paraguayan side of the border helped transform Ciudad Presidente Stroessner into a kind of “port” on land (puerto, in Spanish, or porto, in Portuguese). In Paraguay’s este, they opened stores on or near Avenida San Blás and Avenida Monseñor Rodríguez, parallel to the Ruta 7 highway that leads to and from the Friendship Bridge. In 1972, Faisal Hammoud, alongside his brothers Sadek and Sharif, established the Monalisa store that specializes in imported spirits, perfumes, cosmetics, and electronics. Faisal had departed Baaloul for São Paulo and eventually landed in Paraguay with the equivalent of five dollars in his pocket. After some success, the Hammoud brothers constructed their six-story complex, and a decade and a half later, Faisal became the president of the Paraguayan border town’s branch of the US-sponsored Cámara de Comercio Paraguayo Americano (further discussed in Chapter 4). Arriving in 1972, the Mannah brothers, Mohamed (nicknamed Alexandre) and Atef, opened La Petisquera (On a Silver Platter, fig.), which came to specialize in imported spirits, highbrow foods, perfumes, and cosmetics. Alexandre co-founded the Cámara de Comercio de Ciudad Presidente Stroessner and much later headed the local branch of Paraguay’s Federation of Production, Industry, and Commerce (whose acronym, in Spanish, is FEPRINCO). Five Hijazi brothers likewise departed Kabrikha in
Figure 1.4. Partial view of the Paraguayan national highway Ruta 7, in Ciudad Presidente Stroessner (which became Ciudad del Este after 1999), Avenida San Blas is just to the north and Avenida Monsenor Rodríguez is just to the south of Ruta 7. © OpenStreetMap contributors.
South Lebanon in the 1970s and opened Mundo Electronico (Electronic World). Led by Adnan and Hassan, their business was called “one of stores that has the largest commercial movement of this city,” specializing in electronic goods of “North-American, Japanese, German, and Panamanian origins.”

In the 1980s, “Arab, Chinese, and Korean immigrants” made up most of seven-hundred or so shops in the Paraguayan border town that was often called “Puerto” or “Porto” Presidente Stroessner.

On this Paraguayan side of the border, Arabs served Brazilian consumers amid the relative suspension of authoritarian-era border controls and tariffs. Bazas, Rahal, and Taijen explained that stores on the Paraguayan side of the border “always” catered to “Brazilian buyers” (compristas brasileños, in Spanish). Their clients were formally called “tourist-shoppers” (turista-compristas, in Portuguese and Spanish), but were also known by the pejorative label sacoleiro (bagger, lit., shopper fig., in Portuguese). At least since the 1960s, everyday Brazilians traveled to Foz do Iguaçu, crossed the Friendship Bridge to shop for the day in Ciudad Presidente Stroessner, and later returned to their homes elsewhere in Brazil. These tens of thousands of Brazilian shoppers could meet formal border-crossing requirements such as a police exit visa (visto policial de saída) from Brazil’s Federal Police or a provisionary tourist card (tarjeta de facilitación turística) from Paraguayan police.

With exceptional ease in crisscrossing this policed border, Brazilian shoppers headed to mostly Arab-owned shopping complexes in Ciudad Presidente Stroessner, including the Jebai Center, the Galeria Rahal, and the Hijazi Shopping Center. Arab-owned stores carried everything from “sophisticated electronics” to the “famous Chinese ointment” (tiger-balm). Brazilian shoppers sought out Sony video-cassette recorders, Olympus cameras, Toshiba or Brother word-processors, and to a lesser extent, carpets from Iran, perfumes from France, and spirits from Scotland, or cheaper imitations. This merchandise was prohibitively expensive in Brazil due to authoritarian and post-authoritarian government tariffs of “up to 300 percent of the imported item’s value.”

Between the 1960s and 1980s, so many Brazilian “housewives, senior citizens, students, liberal professionals, and idle folks” crossed the Friendship Bridge to
buy lower-priced consumer goods that it was like “a Brazilian party in Ciudad Presidente Stroessner.”

Arab trade on the Paraguayan side of the border developed in tandem with Brazil’s growing influence. In 1973, a Paraguayan border trader, Luis O’Hara, associated each “foreign” presence with one another at an event in the Asunción headquarters of FEPRINCO. O’Hara bemoaned not only that “60 percent of commerce” was “in the hands of Syrian-Lebanese” (sirio-libaneses) but also that 70 percent of agricultural production was dominated by “ciudadanos extranjeros de otras nacionalidades” (foreign citizens of other nationalities), in reference to (non-Arab) Brazilians who owned large plots of land on the Paraguayan side of the border.

Hailing from the state of Paraná where Foz do Iguaçu is located, the state of Rio Grande do Sul to the south, and later, elsewhere, (non-Arab) Brazilian migrants settled in Paraguay’s east, namely in the Paraguayan departamento (department, or state) of Alto Parana, tripling the percentage of foreign-born residents between the early 1970s and early 1990s. Thanks to the Paraguayan dictator’s repeal of the law that forbid foreigners from buying land, (non-Arab) Brazilian citizens owned agricultural fields around the Paraguayan border town, fitting into the Brazilian state’s goal for sway over the one-time Argentine- and US-dominated Paraguay. Though the grandson of migrants from Ireland, O’Hara claimed that he and other Paraguayans defended “national sovereignty,” and he called upon the Paraguayan state capital to “rescue” the borderland. His position rallied no support. “Syrian-Lebanese” commercial puissance had transformed Ciudad Presidente Stroessner into the second largest city of Paraguay, which now breathed through what the military head of state called a “second lung” in Brazil.

Arabs imported goods into the Paraguayan border town that were then sold to Brazilian consumers thanks to the “complementary” liberal economic exceptions of illiberal regimes. In 1971, the Paraguayan dictatorship simplified customs procedures and lowered import tariffs for businesses specifically in Ciudad Presidente Stroessner. Dubbed the Régimen de Turismo or Régimen Especial, this “tourism duty regime” or “special tax regime” levied a one-time tax on imports upon entrance to the country, based on the
expectation that the government inspector would verify the value of merchandise declared by importers and their suppliers. Hussein Taijen later recalled that the tax ranged between 7 and 10 percent for non- and semi-durable merchandise. Paraguayan customs officers next to the Friendship Bridge determined the tax amount after inspecting shipments to verify the country of origin and weighing the container. These procedures took place under the jurisdiction of the appointed mayor (intendente) of Ciudad Presidente Stroessner, Carlos Barreto Sarubbi, and his uncle Antonio Oddone Sarubbi, the administrative and police head of the Alto Paraná department. Appointed in 1975, the imperious Sarubbi family was said to “boost trade and traders, with the intention of collecting more for the municipal treasury” and allegedly for themselves too.

Arab trade in Ciudad Presidente Stroessner drew upon and was drawn into this authoritarian Paraguayan apparatus as well as its newfound rapprochement toward Brazil. Take for instance Mohamed Jebai, who I introduce here and more fully explore in the next chapter. Having migrated from Jebba in South Lebanon to South America in the 1960s, Jebai claimed that Paraguay’s dictator urged him to go into business because of the so-called “free trade policy” of the border town. Others opined that Jebai got his start in commerce only after accepting Stroessner’s wife as his business partner. Temporarily heading the Cámara de Comercio de Ciudad Presidente Stroessner in the 1970s, Jebai imported JVC, Roadstar, and other electronics from Southeast Asia. He and other importers benefited from the Paraguayan Central Bank’s policy that suspended the requirement to deposit 100 percent of the value of the imported goods, allowing importers to reimburse the bank after full payment was transferred to creditors abroad. With dizzying sales to a mostly Brazilian clientele through such Paraguayan governmental exceptions, Jebai used his profits to build Ciudad Presidente Stroessner’s largest shopping and residential complex in the 1970s. The Galeria Jebai Center, explained a manager later on, had around four hundred store spaces, roughly 40 percent run by Arabs. Arabs reaped the rewards of being “on good terms with the regime” in authoritarian times.

Arabs’ transnational trade highlights the heretofore unacknowledged economic flows between Central and South America. In the
1970s and 1980s, Bazas explained, Arabs in Paraguay used the *zona franca* in the Panamanian city of Colón, which attracted businesses with tax benefits and exemptions, strategically located near the then US-dominated Canal Zone. His uncle’s store telexed orders for cutlery sets and other merchandise to French, German, and akin companies, which arranged for deposits in Panama to ship the cargo to Paraguay. Jebai and the Hijazi brothers, mentioned earlier, likewise used this shipping entrepôt in requisitioning electronic goods from Japan and other parts of East Asia. In the 1970s, the Taijen brothers also brought many goods—at the time, spirits, jeans, and cigarettes—from Panama. Bazas even wondered whether the commercial tie between Panama and Paraguay had been initiated by Hussein Taijen, or another *paisano* (countryman, lit., Arab countryman, fig., in Spanish) with relatives along the Panamanian and Colombian coasts. Taijen, or another Baaloul villager, was allegedly asked to *llevar en su mala* (to carry in his luggage) some items *para vender* (to sell) in Paraguay. As mentioned, Lebanese from Baaloul were listed as merchants in small towns near and on the Colombian coast just before the mid-twentieth century. Said Taijen, Hussein’s brother, shrugged off this possibility and noted that Panama’s *zona franca* was common knowledge and had competitive shipping rates and times. Regardless, Arabs traded through liberal economic exceptions among illiberal states in a Central-South America.

From Panama to Brazil and then to Paraguay, Arabs fashioned a supply chain for the Brazilian consumer market. Varied water and land routes connected Panama’s free trade zone to landlocked Paraguay. Before the 1960s, shipments from Colón would first pass through the canal, still under US “stewardship,” and then southward to the port in Buenos Aires, whence they were transported north to Asunción. After the aforementioned interstate and infrastructural developments in Brazil, cargo was also shipped to Paraguay’s duty-free zone in the Brazilian port of Paranaguá where the BR-277 begins. From there, shipments on trucks headed westward and crossed the Friendship Bridge into Paraguay’s east. In the ever-growing customs inspection offices in Ciudad Presidente Stroessner, cargo containers were weighed, and customs officials
calculated the tax to be paid by the importers, based on weight and
the country of origin. Arab and other importers on the Paraguayan
side of the border had cargo shipped from Colón to Paranaguá,
and then transported across the BR-277 highway. After transiting
through the Paraguayan customs terminal beside the Friendship
Bridge, the merchandise in Arab stores was finally sold to consum-
ers mostly stemming from Brazil.

Arabs in Ciudad Presidente Stroessner linked Central and South
America in ways that distanced but did not escape North America.
On the Paraguayan side of the border, Arabs bought goods from
Panama priced in US dollars for sale to Brazilian customers. So, a
more expensive US dollar decreased Brazilian purchase power in
Paraguay. In 1982, for instance, Arabs and other traders in Ciudad
Presidente Stroessner complained that the expensive US dollar after
the “devaluation of the cruzeiro” had “completely stopped Brazilian
shoppers from coming.” But when the US dollar later lost value,
according to Brazil’s finance minister, Brazilian shoppers made a
“large volume of purchases in Puerto Stroessner.” In Hassim Mah-
moud’s Casa Astor in the Paraguayan border town, for instance, the
price of a Panasonic videocassette recorder with remote control
dropped from $400 to $300, and then to $250. A year later, however,
the Brazilian Central Bank’s intervention strengthened the US
dollar and reduced Brazilians’ purchasing power in Ciudad Presi-
dente Stroessner. At the time, Hussein Taijen observed that most
shoppers “enter, ask the price and dollar quote, and leave without
buying anything.” Arab businesses on the Paraguayan side of the
border kept an eye on the US dollar in order to gauge Brazilian pur-
chase power. Arabs bolstered trade in a semiperipheral America that
could “neither fully escape . . . nor be reduced” to the US.

A Semiperipheral “Economy of Appearances”

On the semiperiphery, Arabs played leading roles in what anthro-
pologist Anna Tsing called an “economy of appearances.” As the
“economic structure of Paraguay” became “directly linked” to the
“large economic growth” in Brazil, according to a UN report in 1987,
Arabs appeared to be profiting as well as profiteering at the border.
On the Brazilian side, Arabs attracted most Paraguayan clients in March, April, and May, the start and high-point of soy, cotton, and other harvests. Meanwhile on the Paraguayan side, Arab stores drew Brazilian consumers year-round, except for January and February, summer vacation months in the southern hemisphere when most people traveled elsewhere. A mélange of authoritarian and post-authoritarian state officials kept close watch over the resultant daily “traffic jams” with “heavy shipments” and “hundreds of vehicles,” as well as “antlike” lines of pedestrians and porters crisscrossing the Friendship Bridge. Whether trading westward or eastward across this semiperipheral America, Arabs appeared to consumers, suppliers, state authorities, and even one another as agents of development as well as suspects of double-dealing.

Arabs gained visibility and notoriety in their economic roles. In 1981, the *Diário do Paraná* noted that the members of “the Arab community of Foz do Iguaçu” are “persons with an elevated sensibility” through “their active participation, especially in commerce.” Indeed, Mohamad Barakat characterized Arab commercial exportation to Paraguay as “the Arab contribution to Brazilian development.” But Humberto Domínguez Dibb, mentioned earlier, accused Arabs on the Brazilian side of the border of economic duplicity. In the *HOY* newspaper he owned in Asunción, Dibb endeavored to show that between 1977 and 1982, not even half of the exports from Brazil were disclosed to Paraguay’s Central Bank, relative to the data in Brazil’s government export agency, Cacex. Moreover, Paraguayan garment industrialists complained of being undersold by “export firms in Foz do Iguaçu” that had “large warehouses near the bridge,” which shipped Brazilian-made clothing to Paraguay each day “without paying any taxes” in Paraguay itself. They pointed fingers at Abdul Rahal’s Exportadora Líder in Foz do Iguaçu, which according to the São Paulo-based Alpargatas jeans factory, “sold to the Paraguayan market more jeans than all the jeans factories of Paraguay put together.”

Suspicious of double-dealing came to overshadow Arab exporters on the Brazilian side of the border. Their “exported” manufactures that qualified for Brazilian tax breaks were allegedly sold to domestic Brazilian customers. As early as 1973, *ABC Color* took
note of “exporters” manipulating “Brazilian policies of stimulation and promotion of exportation” in order to earn a “financial return on top of the value of their exportation that would reach around 40 percent.”127 ABC Color found that “one would obtain a delivery or return note in Foz do Iguaçu to export to Paraguay” but the goods never reached “Paraguayan territory.”128 A Brazilian tax inspector much later observed, “at least three hundred businesses from Foz do Iguaçu” filed for tax breaks but the “Brazilian merchandise marked for exportation” came to be “sold to domestic customers” in order “to generate larger profits.”129 According to an Acifi employee, exporters near the Friendship Bridge commonly undertook this practice.130 He explained that household appliances, foodstuffs, textiles, or other goods marked for exportation to Paraguay were sold domestically in Brazil. He gave the example of Brazilian-made air-conditioners built to work on 120 volts, the electric current in Paraguay. But since 110 voltage is more common in Brazil, exporters sold both the air-conditioner and an “electronic converter box,” presumably to use in Brazil. Without Paraguayan verification, the Brazilian government’s export agency, Cacex, granted the fiscal exemption when export firms in Foz do Iguaçu filed tax rebate forms with the receipts from ostensible “export” sales. Arab profit-earning could be imagined as profiteering too.

Such suspicions of Arabs distracted attention from authoritarian Brazilian state officials who capitalized on what was still idealized as an “ordered march” of development.131 In 1980, Foz do Iguaçu’s military-appointed mayor “defended” a new “customs office” and undertook infrastructural projects such as the widening of traffic lanes near the bridge to facilitate “export commerce with Paraguay.”132 Located next to the bridge, businesses exporting merchandise to Paraguay did not comment on the fiscal controls but “felt the benefits” of improved roadways.133 With greater state controls, Brazilian Federal Revenue took charge of inspecting goods and Brazilian Federal Police had jurisdiction over persons, which led to a “war on the backstage.” 134 In one instance in 1983, a shipment of goods approved by revenue authorities was stopped by Brazilian police officers ostensibly intending to verify the papers of the individuals transporting the merchandise. “The constant tensions”
were not only “disputes over dominion” but also “who got a slice of the lucrative business of acertos” (kickbacks, fig.). Not only Arabs and other merchants, but also border government officials could appear as suspects of profiteering if a free press were permitted to more fully undertake investigative reporting.

Similar dynamics took shape on the Paraguayan side of the border, once considered a beacon of “development.” In 1982, *ABC Color* noted that “Arabs and Chinese (arabes y chinos) were “vying for supremacy in business,” with “up-to-date” businesses that sold “valuable, imported products.” Their “commercial outlets” (casas comerciales) stocked and sold “Scotch whiskies, Japanese electronic equipment, French perfume, Chinese and Japanese silks” and other “foreign products” (productos extranjeros). A storeowner in Ciudad Presidente Stroessner related that such goods were “predominantly” sold to “Brazilians,” said to be arriving daily in some ten thousand vehicles from Foz do Iguaçu. Another storeowner emphasized that he and others contributed to the development of the zone not by “creating” agricultural or industrial wealth, but rather by “paying for patent rights and other import taxes to the local government” as well as employing local Paraguayan residents. Meanwhile, Brazilian media occasionally lauded some businesses for importing “legitimate” name-brand products, namely the Mannah brothers’ La Petisquera and the Hammoud brothers’ Monalisa.

But Arabs and the Paraguayan border city also drew suspicions of dealing in contrabando, or the tax-evasive smuggling of goods. Early on, *ABC Color* warned of the Paraguayan border city being connected to Panama’s Free Trade Zone, which served as “the center of contraband for South America.” An Asunción-based business association likewise alleged that the dictatorship’s “Special (Tax) Regime” at the border facilitated the clandestine entry of whiskey, cigarettes, and other merchandise that skirted the tariffs stipulated in Paraguayan legislation. Humberto Domínguez Dibb claimed to expose a tax-evasive practice that took advantage of the customs procedure for cargo containers arriving in Ciudad Presidente Stroessner. According to Dibb, importers and state customs officials colluded to reduce the estimated worth of the merchandise, so importers would be charged less tax and state authorities could take
their mordidas (bites). This subfaturamento (under-billing), wrote Dibb, was the “most important economic crime ever committed in the history of our country” of Paraguay. State fiscal exceptions not only underwrote but could also undermine the Paraguayan side of the border, including Arab-led business there.

Authoritarian Paraguayan state officials gained notoriety for lining their own pockets. The mayor of Ciudad Presidente Stroessner, Barreto Sarubbi, allegedly charged importers to use his family’s clandestine airstrip to avoid taxes by flying in merchandise, from Panama or elsewhere, splitting the pay-offs with “authorities from Asunción.” Juan Pereira, the president of both the city council and the local branch of the regime’s political party, started smuggling not long after the founding of Ciudad Presidente Stroessner. In 1983, Sarubbi and Pereira, alongside the aforementioned administrator, Coronel Antonio Sarubbi, attempted to distract attention from their own defrauding of the state by associating “the grave evil of contraband” with paseros (porters, fig.), everyday Paraguayans who transported goods from Paraguay to Brazil. Subsequently targeted by state border officials, paseros complained that the “authors of the repressive measures ‘are the biggest smugglers of the country.’” Paraguayan state-sponsored profiteering expanded by alleging to crackdown on small-time tax-evasive smuggling. Border authorities began “demanding” double the regular amount of kickbacks for each time they “looked the other way” to allow porters to pass across the bridge. These lower-level officials likewise complained of being shaken down by even higher-level authorities who reported to Paraguay’s dreaded Interior Minister and Stroessner’s own private secretary, Abdo Benitez, addressed more fully next chapter.

The regime’s leaders drew attention away from their own systematic profiteering by targeting the small-scale “smuggling” of goods, which were purchased from Arab-owned and other stores in Ciudad Presidente Stroessner.

Not speaking of profiteering, Hussein Taijen pointed to the profits on the Paraguayan side of the border. With a nod to liberal exceptions in an otherwise illiberal state, Taijen later stated that the Paraguayan border city is “privileged by certain government concepts. Here we buy merchandise from the world and sell it to Latin
America."147 With a transcontinental vision, he continued that the Paraguayan side of the border was home to “hundreds of distributors and resellers of products from five continents” that contribute to the “relations between the three countries,” Brazil, Paraguay, and Argentina. Taijen affirmed that this “commercial exchange” brought “benefits . . . effectively shared” by Foz do Iguaçu, Ciudad Presidente Stroessner, and Puerto Iguazú. In the Paraguayan border city, he and others “sell imported products from five continents for Brazilians” and the cash they collect “is deposited in bank establishments in Foz do Iguaçu or used to acquire Brazilian merchandise for consumption or commercialization within Paraguay.”148 More fully explored in the sixth chapter, Taijen was referring to a type of bank account in Foz do Iguaçu used by businesses from the Paraguayan side of the border.

Regardless, in a semiperipheral “economy of appearances,” any sales transactions on the Paraguayan side, often quoted in the Brazilian currency, could appear as either bolstering or undermining the Brazilian side of the border. Similar to Taijen, Brazilian federal deputy Sergio Spada surmised “a certain balance at the border” since “the Brazilian spends cruzados in Paraguay [and] Paraguay uses these same cruzados to buy foodstuffs, clothing, electronic appliances, and thousands of other products in Foz do Iguaçu, in Brazil.”149 Another Acifi director likewise stated, “The Brazilian tourists leaves many cruzados in Paraguay, but this money, in large part, ends up re-entering Brazil through Paraguayans who buy in Foz do Iguaçu.”150 But Arab and other storeowners in Foz do Iguaçu, like everyday Brazilians traveling to Ciudad Presidente Stroessner, tended to deride Paraguay as synonymous with “counterfeit” goods and “low-brow” tastes.151 Kamal Osman complained that “the millions of [US] dollars that enter Paraguay could stay in Foz do Iguaçu.”152 Hassan Wahab, a commercial exporter in Foz do Iguaçu, protested that his own Paraguayan clients could not find parking because of Brazilians who “leave their vehicles here and go shopping in Paraguay.”153 Likewise on the Brazilian side of the border, Nagib Assaf observed that “Paraguayans, our biggest clients” could not “even see (our) stores” because of so many Brazilian shoppers parking and heading to the Paraguayan side. The conflicting ways
that Arabs and others saw their economic role in this semiperiphery would inform what would become their destiny in subsequent South American state accords for free trade, addressed in Chapter 4, as well as more recent US-led pursuits of allegedly terrorist monies, explored in Chapter 6. Suffice it to say now that on western and eastern sides of the border, as well as of the hemisphere, Arabs served as agents of development as well as suspects of double-dealing during and after authoritarian rule.

From the 1960s to the late 1980s, Arab transnational traders connected and were connected by continental marches: Brazil’s “march to the west” and Paraguay’s “march to the east.” Through commercial networks that reached across the Brazilian coast, landlocked Paraguay, the Panamanian free trade zone of Colón, and beyond, migrants from mostly Lebanon, as well as Palestine and Syria, on both sides of the Friendship Bridge helped link and were linked by this hemisphere. They exported Brazilian-made manufactures to Paraguay and imported goods from Panama into Paraguay for resale to Brazilian consumers. Arabs’ respective supply chains and customer bases drew Paraguay away from Argentina and the US and toward Brazil. Neither beginning nor ending in the US, their transnational trading networks folded into this semiperipheral America. But Arabs’ accommodation of liberal economic exceptions in authoritarian times made them into easy targets for allegations of economic duplicity, which would come to work against their full enfranchisement in seemingly post-authoritarian transitions.