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## RELATIONS BETWEEN BRAZIL AND ARGENTINA DURING THE GEISEL GOVERNMENT (1974- 1979): THE CASE OF THE CONSTRUCTION OF THE ITAIPU HYDROELECTRIC POWER PLANT

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**Abstract:** The present work is the result of academic research that studied relations between Brazil, Paraguay and Argentina in the 1960s and 1970s regarding the construction of the Itaipu binational plant. The period between 1966 and 1979 was marked by controversies involving the three countries, as the Argentine State believed that it would be harmed by the construction of the Brazilian Paraguayan hydroelectric plant. But it was during the Geisel government (1974- 1979) that relations between Brazil and Argentina worsened due to the different interests involved, as the Brazilian government did not accept any external interference in its decisions. The research was carried out with diplomatic documents and periodicals from the three countries. It is concluded that this period delayed the process of regional integration desired by the countries of South America and, after the outcome in 1979, made it possible to bring Brazil and Argentina closer together and would result in the formation of MERCOSUR in 1991.

**Keywords:** 1-) Diplomatic disagreements; 2-) Paraguay; 3-) ``La Plata`` Basin

### **BRAZIL X ARGENTINA: THE BEGINNING OF THE STANDOFF IN THE WATERS OF THE PARANÁ RIVER**

In June 1966, the Argentine government summoned the five riparian countries of the La Plata Basin to a meeting of foreign ministers to be held in Buenos Aires later that year. It is possible to point out that the reason for the call was Argentina's situation of dependence in relation to its geographical location in the basin, as, among the five riverside countries, it is the one "with the worst insertion in the hydrographic system" (MELLO, 1987, P.173). According to Schilling, unlike Brazil, Argentina is the country most dependent on the Basin, and the water potential is essential

for its economic development (SCHILLING, 1981, p.124). The reason for the Argentine call was the fear of the signing of the Cataratas Act between Brazil and Paraguay, which expressed the intention of both to take advantage of the water potential of the Paraná River at the height of Sete Quedas.

Six years later, Argentines expressed interest in building the Corpus binational plant downstream of their neighbors' hydroelectric plant together with Paraguay. A project between two States consists of an effort undertaken with a pre-established objective in order to create a product that benefits both parties with a defined beginning, middle and end with a sequence of elaborate activities. In this sense, the sources analyzed in this research allow us to point out that Corpus was not initially a concrete Argentine-Paraguayan project with the purpose of taking advantage of the hydroenergetic resources of the Paraná River (such as Yacyreta-Apipe) and, until months before the signing of the Itaipu Treaty in April 1973, the possibility of its construction was not part of the negotiations involving Argentina and Paraguay.

Both Brazil and Paraguay, the latter being the partner in the announced venture, expressed surprise and lack of knowledge regarding the Corpus project. A document from the Brazilian embassy in Buenos Aires, dated February 1973, reports that Argentina "planned to present the project to Brazil" soon (Confidential Letter - Urgent DTBP/DBP/AIG dated February 8, 1973. From the Brazilian embassy in Buenos Aires Aires to Itamaraty). Other sources reveal that the Paraguayans did not receive any proposal from their neighbor until three months before the signing of the Itaipu Treaty. What raises further questions, if another fact were not enough, after several decades Corpus was not built and there is no treaty similar to Itaipu and Yacyreta. An important detail is that the

Argentines claimed that the project arose with the creation of the Comisión Mixta del Río Paraná (COMIP) between Argentina and Paraguay, in June 1971. However, there is no reference to the Corpus hydroelectric project in the document that makes COMIP official.

If Corpus was an Argentine creation to demonstrate something resounding about the damage it would suffer from the Itaipu hydroelectric plant, in the following years the country's authorities had to carry out technical surveys to prove the possibility of its existence, internally and externally, and made it an object of "national rights" in the international and, mainly, internal scenario, where Argentine nationalism against Brazil was inflamed in several sectors of the country. With this, Corpus was yet another reason that prolonged the biggest diplomatic impasse between Brazil and Argentina in the 20th century until the end of the 1970s.

### **THE ITAIPU TREATY AT THE BEGINNING OF TRILATERAL NEGOTIATIONS (1973-1977)**

The Argentine intention to build the Corpus hydroelectric plant together with Paraguay increased the difficulties of understanding between the Brazilian and Argentine States until the end of the 1970s. As studied in the previous chapters, the negotiation process for the signing of the Treaty of Itaipu had consequences on the geopolitical scenario of the La Plata Basin. Argentina was uncomfortable with the Brazilian-Paraguayan agreement, not only for political reasons, but because it understood that the natural course of the Paraná River would undergo changes that could make its use unfeasible. In March 1973, presidential elections were held on Argentine soil, resulting in the victory of Peronist Hector Camporá. His inauguration would only take place in May of the same year, but before that there were already plans for

the Peronist group to have a greater decision-making role in the conduct of Argentine foreign policy, preparing the ground for assuming the presidency. When the news about the signing of the Treaty of Itaipu gained greater repercussion, at the end of March, Jorge Julio Greco, General Secretary of the National and Latin American Movement of Argentina, linked to Juan Perón, asked President Garrastazu Medici that Brazil not sign the agreement with Paraguay through the following note:

In my character as General Secretary of the National and Latin American Movement of Argentina, adhering to the Latin American unity, and foreseeing the regrettable consequences that I say I was able to bring to the relationships between our republics without having to account for Argentine aspirations, I address to your Excellency in order to request that you refrain from taking any definitive decision on the matter until both this installed in Argentina and the elected constitutional government and the decision be resolved in a friendly and multilateral manner.

We think that:

1. Committed as we are in the search for unity, cooperation and Latin American integration, we cannot make unilateral or bilateral decisions that could generate disarray or tension in the area
2. Multinational hydrographic basins can result in an extraordinary source of cooperation and development, but for this it is necessary to respect the principles of mutual benefit and respect.
3. These principles must be summarized as the preservation of natural resources and the human environment as an expression of an urgent need for humanity.
4. There is no reason whatsoever that justifies the signing of a Paraguayan-Brazilian agreement so prematurely that it precedes the assumption of power in Argentina on

May 25th by the elected authorities.

5. Argentine public opinion may think that the next Brazilian-Paraguayan agreement on Itaipu will be carried out without delays because it is the objective of the government of His Excellency to delay the announced repudiation of the Nueva York agreement between ministers Gibson Barboza and Mc Loughlin on the part of the future government.

Our request is not about preventing a hydraulic project of national or multinational interest from being carried out, but rather that it be carried out with due respect for certain basic principles in international relations and avoiding "sensible harm" to Argentina (Urgent Confidential Telegram DAM-I 342.5 of March 30, 1973. From the Brazilian Embassy in Buenos Aires for Itamaraty).

The content of the note shows great respect for Brazil and its internal and external interests, but asks for consideration in relation to Argentina in order to wait for Camporá to take office to continue negotiations on Itaipu. But, the fact is that regardless of the request, the Itaipu Treaty was signed on April 26, 1973.

Two years later, Argentina was being governed by Isabel Perón and in terms of Isabel Perón's government's foreign policy, the country sought to maintain solid relations with the United States and supported, without success, Cuba's re-entry into the OAS. He also used all his diplomatic resources to impose an Argentine as Secretary of the Pan-American Organization, being antagonistic to the Paraguayan candidate, and disagreeing with Brazil, which did not want a representative from Buenos Aires in the post. Within the scope of the United Nations, he sought to be part of the Security Council seeking to claim the sovereignty of the Falkland Islands, which resulted in a diplomatic impasse with Great Britain. In relations with African countries, the most significant approach was with Libya,

in which it reached an agreement to purchase a large amount of oil and sell 200 million dollars in agricultural products. In Latin America, relations with Mexico and Peru significantly decreased, and sought to intensify rapprochement with Chile. In the case of the latter, the Argentine Defense Minister and Army General decorated dictator Augusto Pinochet and supported his regime in voting against a UN resolution that requested the release of political prisoners and expressed repudiation of the violation of human rights in Chile. And finally, in the La Plata Basin, it intensified political and commercial relations with Uruguay, but did not present major advances in relation to Paraguay and Bolivia. Something that enabled Brazil to expand its influence in the region (MONETA, 1979).

More specifically in relation to Brazil, the difficulties of rapprochement became evident when the Brazilian government demonstrated interest in carrying out scientific studies in Antarctica, seeking to create links with Chile, as a section to be researched was under Argentine sovereignty.<sup>1</sup> And it seems that internal pressure from military groups did not allow Isabel Perón's government to improve relations with Brasília, especially on the issue of hydro-energy use of the Paraná River. This situation had already been observed since the Juan Perón government when, in October 1973, a secret letter from the High Command of the Armed Forces was sent to the Ministry of Foreign Relations and Worship. The content of the document interprets that, given the difficulties presented in Brazil-Argentina relations in the Itaipu-Corpus issue, "the Brazilian policy towards our country in this regard could be summarized by saying that it has consisted of seeking the permanent delay of all projects Argentines, but these will never be cancelled" (Confidential Letter nº 00181 "S"- 273 of October 15, 1973. From the Commander in Chief of the Armada to the

Ministry of Foreign Relations and Worship).

In Argentina, the military dictatorship was underway, called the National Reorganization Process, under the presidency of Lieutenant General Jorge Rafael Videla. He had led, together with General Orlando Ramón Agosti and Admiral Emilio Eduardo Massera, a coup d'état against the government of María Estela Perón, culminating on March 24, 1976. As Commander and Chief of the Army, Rafael Videla took over the government five days after the coup, the Argentine would remain president until 1981. From his first months in power, Videla demonstrated his intention to resolve diplomatic problems with Brazil, especially the issue involving the Corpus and Itaipu hydroelectric plants (ROMERO, 2006).

The concern of the military regime in the conduct of Argentine diplomacy in the La Plata Basin can be observed through a memorandum prepared by Federico Barttfeld, ambassador of the Department of Latin America of the Ministry of Foreign Affairs and Worship, from November 1976.

In this document the diplomat do an analysis regarding relations between Argentina and Brazil with the aim of developing a diplomatic action strategy to defend the geopolitical interests of Buenos Aires in South America. The content outlines Argentina's Atlantic tradition and the need to increase rapprochement with Andean countries in order to favor political and commercial relations. In this sense, he criticizes previous governments for having distanced themselves from "vital centers" such as Bolivia, Paraguay and Uruguay, at the same time, allowing Brazil to grow in the La Plata Basin. He also criticized Isabel Perón's government for not having sought to improve relations with Brasília, drawing attention to the fact that it had not appointed any ambassador to Brazil for a year. The content of the document exposes the recognition of "Brazilian diplomatic intelligence" by

expanding its relations with its neighbors. This situation made it possible to contain forces in the subcontinent between Brasília and Buenos Aires and one of Argentina's strategies would be presidential diplomacy with Rafael Videla's visit to South American countries. However, the need for a pragmatic relationship with Brazil is emphasized to avoid a conflict of greater proportions that could affect Argentine interests (Memorandum nº3366 of November 4, 1976. From the Latin America Department of the San Martín Palace to the Ministry of Foreign Affairs and Worship).

One of the forms of a pragmatic approach is related to the Corpus hydroelectric project in the course of the Paraná River downstream of the site where Itaipu was being built. The San Martín Palace, under the administration of the military regime, maintained the thought that advances in relations with Brazil would only occur with an understanding regarding the compatibility of the two hydroelectric plants. But for this to happen, it would be necessary to increase studies in relation to Corpus to provide a basis for negotiations with Brasília, as until then Corpus had not yet presented viable technical results and consequently did not support Argentina's arguments for negotiating with its neighbors. At the end of 1976, the Interministerial Corpus Commission was created, establishing guidelines for negotiations with Brazil and Paraguay. The creation of this proved to be relevant in Argentina, as the Minutes of creation of the commission draw attention to the need to resolve diplomatic problems with the government of Brasília, which were understood as "a political problem" at the VIII Meeting of Chancellors of the La Plata Basin (Official Letter Number 534 (286) of December 31, 1976. From the Ministry of Foreign Affairs and Worship to the Argentine embassy in Brasília).

In Brazil, a report had already been prepared



by Eletrobrás, in June 1974, regarding the Corpus hydroelectric plant. The content states that if the reservoir had a water depth of up to 10 meters, this would have no impact on the functioning of Itaipu. If the Corpus reservoir were between 100 and 105 meters, Itaipu would suffer a loss of productivity and would be less technically viable. If the level were above 105 meters, Itaipu would be unfeasible and it would be necessary to travel at least 100 km upstream in the Porto Mendes region. In 1976, Eletrobrás prepared another detailed report on the viability of Corpus and pointed out the technical contradictions, such as the volume of water flow used by the dam. The content reports technical parameters and the limits for Brazil to negotiate with Argentina. Furthermore, it exposes weaknesses on the Brazilian side, as the construction of Itaipu would create a “disturbance in the river regime downstream of the mouth of the Iguazu River which, depending on its magnitude, could be flooded and cause significant damage” (ESPOSITO NETO, 2012, p. 250).

The methodology adopted by Brazilian technicians, different from the Paraguayan-Argentine study and with changes to the project, concluded that “the compatible quota for the Corpus damming will be 95 meters”. However, the Lahmayer-Harza consortium, at the request of Argentina, presented the feasibility project for the Corpus project in 1976. The report points out three possible locations for installing the hydroelectric plant with different altitudes, varying between 95 and 130 meters. It was concluded that the plant would only be economically viable at elevations above 110 meters. In other words, the different results highlighted the difficulty for a trilateral understanding and which prolonged the divergences between Brazil and Argentina.

Since the coup d'état in March 1976, the Argentine military regime sought dialogue

with the Brazilian government to negotiate Itaipu-Corpus compatibility trilaterally, but without success. The sources allow us to interpret that the Brazilian authorities did not take the Corpus project seriously and insisted that Itaipu was a matter to be discussed only between Brazil and Paraguay. As a result, Argentine dissatisfaction grew and gained repercussion in the newspapers of the three countries involved in the issue, with greater notoriety in Argentina. Many of the news published were demonstration from the Argentine ambassador in Brasília, Oscar Camillion, who expressed to Brazilian and Argentine reporters his government's dissatisfaction with Brazil's resistance to sitting at the negotiating table. Since 1976, when he took office, Camillion emphasized that the Itaipu-Corpus dispute was a priority in relations between Brazil and Argentina.

According to Espósito Neto, “in the face of Brazilian refusal, Argentine diplomacy once again introduced the ‘prior consultation’ debate into the international agenda. The chosen stage was the United Nations Conference on Water, held in Mar del Plata between March 14 and 25, 1977”. The Argentine representation emphasized the need for States to be consulted on works carried out on shared rivers, taking into consideration, possible losses in the use of water. The need to include prior consultation in the resolution to be approved at the end of the event led Brazilian ambassador João Hermes de Araújo to maintain direct contact with Itamaraty in order to seek guidance. The final version of the document consolidated the Argentine request, which for Brazil was contrary to its national interests.

Still in March, the San Martin Palace sent a note to the Paraguayan Foreign Ministry to continue talks focused on the Corpus project and requesting the opening of trilateral negotiations with Brazil. Argentina obtained Paraguay's consent during President Rafael

Videla's visit to Asunción on April 25, 1977. The proposal was sent to Brazil, which, once again, refused to negotiate with the Argentines. The Brazilian justification was that "Itaipu concerns Brazil and Paraguay; Corpus to Paraguay and Argentina" (FOLHA DE SÃO PAULO, April 25, 1977).

Brazilian refusal to negotiate made the Argentine government resort to an energetic attitude to achieve its objective, as mentioned in a secret letter from the Argentine embassy in Brasilia suggesting that "the best way to negotiate is from extreme positions" (Confidential-Secret Letter, number: 358 "S" of April 19, 1977. From the Argentine embassy in Brasilia to the Ministry of Foreign Affairs and Cult). Which leads to the discussion around the paradigm of complex interdependence, as expressed by Raimundo Batista dos Santos Junior (SANTOS JUNIOR, 2000, p. 249.).

In general, in foreign policy, subjects with equal or different capabilities do not define the results of a negotiation taking into consideration, only their intrinsic capabilities. Bargaining and blackmail are variables capable of transforming potential into concrete effect. Thus, interdependence develops webs of interactions that make international issues more complex, without a hierarchy between "high politics" (strategic-military issues) and "low politics" (economic, social and cultural issues), as defended by realist school theorists.

The sources researched allow us to point out that the Argentine government decided to act through the transport sector. Firstly, it harmed the free navigation of Brazilian vessels in the Rio da Prata. In 1976, the Brazilian government had sent a note to the Argentine military regime questioning non-compliance with the Treaty of Peace, Friendship, Commerce and Navigation of 1856 and the River Convention of November 20, 1857, which allowed the circulation of Brazilian

vessels in the said river. Until the first months of 1977, the Ministry of Foreign Affairs and Worship did not respond and this displeased the Itamaraty. After sending another note to the Argentines, the Videla government responded by claiming that the 1856 agreement had been signed at a time when "Buenos Aires was not integrated into the Argentine Confederation, when the latter signed them with the Empire of Brazil" (ZUGAIB, 2006, p.117). And he added "that the Argentine government has always allowed the free navigation of foreign vessels on its rivers, but insists that the agreement on navigation signed in 1856 no longer corresponds to the current reality" (FOLHA DE SÃO PAULO, July 30, 1977).

And if this argument that does not present great consistency were not enough, another difficulty arose in the road transport of trucks. In 1976, the Secretariat of State for Transport and Public Works of Argentina and the Ministry of Transport of Chile signed an agreement for the emergency use of the Las Cuevas-Caracoles tunnel while the Carretero Cristo Redentor International Tunnel was being built on the border between Mendoza (Argentina) and the Province of Los Andes, region of Valparaiso (Chile). The change was also of interest to Uruguay and Brazil because of the trade route with Chile and vice versa. On May 19, 1977, a note from the National Directorate of Land Transport of Argentina sent to the National Customs Administration of Brazil made the following announcement: "the use of the Las Cuevas-Caracoles tunnel for transport, among others, originating from the Brazil towards Chile and vice versa" (Urgent Letter n°225-680.12(B29) (B39) of June 16, 1977). From Itamaraty to the Ministry of Foreign Affairs and Worship). The same note suggests that land transport must be carried out in the vicinity of the border crossing: ``*El Cristo Redentor*`` or other points in the Cordillera. Soon, Itamaraty sent an urgent

letter to the San Martin Palace. Below are the main highlights of that document:

This prohibition seriously affects the exchange of goods between Brazil and Chile as the passage of Christ the Redeemer is interrupted due to weather conditions for prolonged periods in the winter months. The same obstacle occurs with the Puyehue border crossing, which, moreover, is much further south, forcing transport companies to use roads with unpaved sections and travel much longer distances, a circumstance that significantly increases transport costs, freight and fuel consumption, including Argentine.

[...]

In view of what is happening, the Brazilian government cannot accept the discriminatory terms of note no. 330 of the DNTT, which restricts passage through the La Cuevas-Caracoles tunnel depending on the nationality of the vehicles and the points of origin and destination of the goods, and which created a precedent unique in restricting traffic from a certain border point authorized for exchange between the respective neighboring countries, in a procedure that violates the interests of Brazilian-Chilean trade, by land.

Under these conditions, the Brazilian government considers it essential to eliminate the restriction on freedom of transit in the Las Cuevas-Caracoles tunnel, in order to maintain the good understanding that has allowed such significant development in Argentine-Brazilian land transport (Urgent Office, number: 225-680.12(B29) (B39) of June 16, 1977. From Itamaraty to the Ministry of Foreign Affairs and Cult).

The note also refers to the Agreement on International Land Transport of October 9, 1966, signed between Brazil, Argentina, Chile, Bolivia, Peru, Paraguay and Uruguay. At the time, the Brazilian government “understands that, once a certain border crossing between the two respective neighboring countries

is enabled, traffic through this point is automatically extended to authorized vehicles from the other contracting parties”. And he emphasizes that Brazilian vehicles traveling through the Las Cuevas-Caracoles tunnel paid the toll fee charged. The Argentine response, without giving further clarification, was that a review of Brazilian truck traffic in its territory would be necessary and would await the meeting scheduled for the 15th, 16th and 17th of September 1977 to be held in Rio de Janeiro between Brazil, Argentina, Uruguay and Chile.

The fact is that the disorder resulted in pressure on the Brazilian government by the country’s large transport companies. In July 1977, representatives of the latter left for Brasília to meet with Itamaraty authorities, as they claimed to be suffering losses. At the meeting, alternative routes were studied, but all of them were unfeasible given the detours of up to two thousand kilometers. Publicly, the carriers anticipated their support for any decision that the Brazilian government would take. A news item from Folha de São Paulo on July 19, 1977 reported that behind the scenes at Itamaraty the possibility of Brazil “closing its borders to the transit of Argentine trucks” as a reprisal was not ruled out.

Faced with the impasse, rumors arose in the Brazilian press that the problems in the area of transport in the Rio de la Plata and on the Argentine-Chilean border were a reprisal against Brazil for not accepting to negotiate with Argentina regarding the Itaipu-Corpus compatibility. And if this situation wasn’t enough, ambassador Oscar Camillion was called back to Argentina without explaining to the Brazilian government. At the same time, the Argentine ambassador to Paraguay was also asked to return to the country. In the case of the latter, sectors of Itamaraty believed that it would be a way for Buenos Aires to express its discontent with the Paraguayan



government if it agreed to change its cycling from 50 to 60 hertz, at Brazil's request in relation to Itaipu, as this would affect the cycle in hydroelectric plants of Corpus and Yacyretá, this interpretation being, in my opinion, somewhat consistent. The result was that this situation caused serious concern among Brazilian authorities.

It is possible to observe that the Argentine government avoided explaining this matter to the press. After all, an opportunity was created to attract Brazil and negotiate. In a policy of appearances, Ambassador Oscar Camillion, before leaving for his country, was questioned by Brazilian journalists about the matter and he only mentioned that there was a "misunderstanding" while at the same time that bilateral relations "would not be harmed". According to Camillion, the closure of the border was not a premeditated action and was justified by the review of the multilateral road agreement between Argentina, Brazil, Uruguay and Chile signed in 1966. In short, a poorly explained justification that makes it possible to strengthen the point that Buenos Aires forced the Brazilian government to seek dialogue with Argentina (FOLHA DE SÃO PAULO, July 20, 1977).

The impasse with Argentina caused the Army High Command to summon Chancellor Azeredo da Silveira to a secret meeting. The fact is that there was military diplomacy parallel to the chancelleries of the two governments. According to Spektor, "between April 1976 and July 1977, senior military personnel from both countries spoke in secret visits to Buenos Aires and Rio de Janeiro to discuss the issue." However, the Brazilian government did not publicly address the issue, causing distrust in the press by pointing out that the "Itamaraty might not be having autonomy". This became evident when Azeredo da Silveira was questioned by reporters about the content of the meeting, limiting himself

to answering that it was about relations with Argentina and that a note had been sent to the Argentine government proposing dialogue about the various problems experienced in the dynamics between the two countries and stating that he would not accept dealing with a specific issue. The probable reason for this statement would be to give the impression that Brazil would not give in when negotiating Itaipu and its compatibility with Corpus. Some sectors of Itamaraty reported that "the Brazilian government recognized that it was impossible to maintain the current level of tension in bilateral relations and decided to give the first positive response to Argentine attempts at rapprochement" (SPEKTOR, 2002, p. 113).

Days later, Argentina responded to the Brazilian note and its content was not released to the press, but sectors of the Itamaraty limited themselves to reporting that the document was created in a "skillful manner". The document expressed that the Argentine government wanted "a methodology for the constitution of a tripartite commission in charge of seeking the appropriate conciliation of the great approvals that are proposed to be carried out in Paraguay, Argentina and Brazil". Apparently, Argentina achieved its objective by closing the Las Cuevas-Caracoles tunnel, as well as hindering truck traffic from Brazil and Brazilian free navigation on the River Plate. After all, at the beginning of August 1977, Itamaraty published a note agreeing to negotiate the Itaipu issue trilaterally. As a consequence, the Las Cuevas-Caracoles tunnel was immediately opened to Brazilian truck traffic. At the same time, free Brazilian navigation on the Rio da Prata was guaranteed (ZUGAIB, 2006, p.117).

## **TRILATERAL NEGOTIATIONS: FROM DIFFICULTIES IN UNDERSTANDING TO THE TRIPARTITE AGREEMENT**

Despite the critical situation in relations between both countries, the insistence on intensifying negotiations was more practiced by Argentine diplomacy than Brazilian diplomacy. Still in May 1978, while the chancelleries of the three States were preparing their agendas for a new meeting to be held in Brasília, Argentina sent a draft of the Tripartite Agreement to the other parties. In terms of content, Buenos Aires insists on “prior consultation” to carry out works on the Paraná River by proposing an “agreement that will regulate the treatment and solutions for all problems linked to the interests of the countries riverside the Paraná River”. In the fifth article of the draft it is established that the platinum riverside communities must be consulted regarding “all energy, navigation and other uses”. The proposal caused irritation in the Brazilian government, which quickly sent a note to Buenos Aires demonstrating its disagreement and showing that the article makes it possible to interpret that the Argentines were not complying with the terms of the negotiations from the beginning and demonstrated that it was the Itaipu-Corpus issue, something only of interest to Brazil, Paraguay and Argentina. Furthermore, it insisted that “prior consultation” was unacceptable, as it would interfere with activities carried out within its territory. Because of this, it was decided to suspend the tripartite meeting that would take place in Brasília (Secret Letter No. 118 of May 30, 1978. From the Argentine embassy in Brasília to the Ministry of Foreign Affairs and Worship).

The beginning of 1979 was marked by the expectation of João Baptista Figueiredo's inauguration, scheduled for March. In

Argentina, it was believed that the change of government would improve diplomatic relations with Brazil, as the wear and tear during the Geisel government was notorious as it was reluctant to “give in” Argentine claims. But the main target of criticism, both from the government of Buenos Aires and the San Martin Palace, as well as from the Argentine press, was the Brazilian chancellor Azeredo da Silveira, understanding that he was most responsible for the obstacles presented. As seen in the previous chapter, Silveira had been ambassador in Buenos Aires during the Medici government and had already expressed, through diplomatic documents, that it would be difficult to find an understanding with the Argentines, without hurting Brazilian interests. As Chancellor of the Geisel administration, Silveira had difficulties in conversations with the Argentine ambassador in Brasília, Oscar Camillión, even because he used the press to expose the drama in the issue that must be a “state secret”. However, in the last months in office, Azeredo da Silveira also made use of the press by leaking excerpts from an Argentine note that made proposals for the Tripartite Agreement and shortly afterwards a Brazilian aide-mémoire that will be mentioned in the following paragraphs. According to Esposito, one of his last actions as chancellor was to undo “the ‘victim’ image that Argentina displayed in public opinion. He made her ‘co-responsible’ for the failure of the Itaipu-Corpus understandings” (2012, p. 265).

Geisel's departure from the presidency opened the possibility of rapprochement between the two countries, especially with the departure of Azeredo da Silveira from the Ministry of Foreign Affairs, who was viewed with suspicion by the San Martin Palace, at the same time being heavily criticized in the Argentine press, as previously mentioned. Geisel left the Brazilian presidency at a time when the clamor for democratic political

opening was increasingly gaining ground in Brazil. During his five-year term (1974-1979), his government lived with the dollar crisis, a decrease in exports and an increase in imports that led the trade balance to a deficit of US\$5 billion. The biggest cause of this situation was the Oil Shock, which began in 1973 due to political conflicts in the Middle East involving OPEC countries, with an impact on the global economy. The Brazilian automobile industry, one of the highlights of the “Economic Miracle”, was seriously affected, forcing the country to import 80% of the oil it needed.

The meeting with the delegations from the three countries was scheduled for October 19, 1979, in Puerto Presidente Stroessner (currently Ciudad del Este)<sup>1</sup>. The ceremony, the Argentine chancellor, Carlos Pastor, took the opportunity to praise Argentine diplomacy in his speech by declaring that the commitments reinforced by Argentina in maintaining the Tripartite Agreement are “gestures of goodwill towards our neighbors”, adding that his country “accepts” letting Brazil use the Iguazu River to guarantee the flow of the Paraná River, during the filling of the Itaipu dam. This was understood by the Brazilian representatives at the meeting as an “inelegant” attitude (FOLHA DE SÃO PAULO, October 20, 1979). Then, in his speech Saraiva Guerreiro was pragmatic in stating that “our countries acted with seriousness and an objective spirit” (FOLHA DE SÃO PAULO, October 20, 1979). In other words, until the moment of signing an agreement, the opportunity for a “nudge” between Brazil and Argentina arose.

1. The Brazilian delegation to the meeting was led by Chancellor Saraiva Guerreiro and with two special guests: ambassadors Oscar Camillión, from Argentina, and José Antônio Moreno, from Paraguay. The other members were: César Cals, Minister of Mines and Energy; Ambassador Carlos Duarte da Rocha, recently arrived at the Brazilian diplomatic mission in Buenos Aires; the president of Itaipu Binacional, general Costa Cavalcanti; the head of the Department of American Affairs at Itamaraty, João Hermes; the diplomatic office advisor, Orlando Carbonar; the president of Eletrobrás, Maurício Schulman; the spokesperson for Itamaraty, Bernardo Perlcas; the director of Eletrobrás, Mauro Moreira; and the former president of Eletrobrás, Mario Bhering. On the Argentine side were: Ambassador Hector Subiza, head of the Latin America Department; minister Arturo Osório Araña; engineer Bernardo Bronstein, general secretary of the Energy Secretariat; and Admiral Horácio Colombo, Argentine delegate to the Mixed Commission on the Paraná River and one of the main negotiators of the agreement. And finally, among the Paraguayan representatives: engineer Enzo Debernardi, vice-president of Itaipu Binacional; Chancellor Alberto Nogués and other diplomats from the Lopez Palace.

For Armando Gallo Filho (2005), the Tripartite Agreement declared that the Treaty of the La Plata Basin, signed in 1969, did not overcome in practice the integration obstacles that the text of the Treaty seemed to bring. It was necessary to sign a new document ten years later, between Brazil, Paraguay and Argentina, to actually consolidate the integration advances in the La Plata Basin.

Amaral e Silva points out that “the Tripartite Agreement more than put an end to the controversy, it contributed to stability in Plata Basin which, a few years later, would be fundamental for the beginning of the agreements that would lead to regional integration through Mercosur” (2006, p89). The same opinion is pointed out by Leonel Itaussu Almeida Melo when mentioning that the agreement “enabled the normalization of the Brazilian-Argentine relationship and the resumption of bilateral cooperation in the early 1980s. From a geopolitical point of view, Maria Regina Soares de Lima (2013) points out the Itaipu issue highlighted Brazil’s hegemonic role in the La Plata Basin, with Itamaraty achieving its objectives strategically by mixing rewards with punitive actions.

In short, the signing of the Tripartite Agreement ended a critical situation that affected relations between the three countries and inaugurated an integration process in the following years that culminated in the creation of the Southern Common Market in 1991. But more than that, it made it possible a never-before-seen rapprochement between the two largest countries in South America.

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