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A-80

HANDLING INDICATOR

TO : Department of State  
 INFO : ASUNCION, LA PAZ

SG-PG BORDER

FROM: AMEMBASSY BUENOS AIRES

DATE: December 11, 1980

FROM.O. 12065:

N/A

TAGS : PBOR, AR, PA

SUBJECT: Dispute Between Argentina and Paraguay Over  
Riparian Rights to Pilcomayo River

REF: Buenos Aires 9492 ARA

SUMMARY. Argentina and Paraguay, together with Bolivia, signed an agreement in 1974 to study joint utilization of the Pilcomayo River Basin. However, Paraguay claims that an Argentine canal project is diverting part of the river into Argentine territory and at a recent conference of the Foreign Ministers of the River Plate Basin, the Paraguayan delegate protested alleged unilateral exploitation of the Pilcomayo River by Argentina. Argentine Foreign Minister Pastor said that there is no problem with Paraguay regarding the Pilcomayo, and his Paraguayan counterpart indicated that the issue is being resolved. Differing views with respect to the alleged diversion channel remain, but it appears that both governments intend to prevent the dispute from affecting their generally good bilateral relations. END

SUMMARY.

The Pilcomayo River forms most of the border between Argentina and Paraguay and a smaller area delineates part of Argentina's border with Bolivia. Along the Argentine-Paraguayan segment, the river's course is slow, constantly changing and divides into numerous branches. Paraguay, Argentina, Bolivia, the OAS, the IDB and the UNDP signed an agreement in 1974 to carry out a study of the Pilcomayo River Basin that envisaged joint utilization of water resources, sediment control, irrigation and drainage projects, quality maintenance of underground water, erosion

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control, ecology protection and so on. Implementation of the study was entrusted to the OAS and in 1977 a report was released which indicated riverine projects regarded by the three countries as being of national interest. Included among those proposed by Argentina was the "Riacho El Porteño" project. It involved splitting up the waters of the Pilcomayo and channeling one of the Pilcomayo's branches to improve irrigation.

In March, 1979 at a meeting of representatives of the Pilcomayo River Basin countries, the Argentine delegation announced that the Argentine Province of Formosa (of which the Pilcomayo River is the northern boundary) had completed plans and called for bids on the El Porteño project. Paraguay objected, and on May 30, 1979 the Paraguayan Foreign Ministry presented a note to the Argentine Embassy in Asuncion expressing "its firm opposition to any project which would in any way cause the diversion of the main course of the Pilcomayo River and which may involve substantial loss of its (Paraguay's) interests."

On several subsequent occasions, the Paraguayan Government reiterated its concern regarding the El Porteno project, and on January 9, 1980 Paraguay protested to Argentina over the existence of an artificial diversion channel. It "demanded that the mouth of the diversion channel be closed to return things to their previous state."

During late October and early November, news articles appeared in Paraguay, and reflected in the Argentine press, regarding increasing concern between the two countries over the Pilcomayo. In a press interview on October 30, Paraguayan Foreign Minister Alberto Nogues claimed that the Argentine provincial authorities had built canals without prior consultation with Paraguay, to divert some of the waters of the Pilcomayo. Paraguay is concerned that the public works by Formosa Province will create new permanent water courses within Argentine territory, reducing the availability of irrigation water to Paraguay during the dry season.

To clear the air, the Argentine Government issued a communique on November 8 explaining that the Argentine-Paraguayan Joint Commission charged with administration and control of the Pilcomayo detected natural drainage channels out of the Pilcomayo at three points along its course, two of which were in Argentine territory. It said the two governments had agreed to take measures damming up the channels to restore the river to its normal

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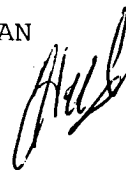
course. Argentina also announced that Argentine national authorities and personnel from the provincial government of Formosa were cooperating with Paraguayans to dam up the drainage. According to the Argentine Government, the work is practically finished.

In reply, the Paraguayan Government issued a communique on November 10 which outlined the history of Argentine-Paraguayan differences over the Pilcomayo and repeated its claim that there had been created an artificial diversion channel. However, the Paraguayan communique acknowledged that the two governments had agreed to implement joint measures to dam it up.

At the Eleventh Meeting of the Foreign Ministers of the River Plate Basin, the Paraguayan delegate said that his country rejects Argentina's proposal to divert the water of the Pilcomayo and protested Argentina's alleged unilateral action. Argentina's Pastor told the press that there is no problem with Paraguay over the Pilcomayo and blamed rumor-mongers for alleging trouble where it does not exist. Paraguay's Foreign Minister, while declining to acknowledge that no problem exists, asserted that "the irregular situation" of the Pilcomayo River is being resolved "as far as possible." He said that "Argentine officials have given instructions to return things to their former state."

COMMENT: This issue in Argentine-Paraguayan relations continues to bubble along, but both governments appear determined not to let it disturb normal good relations between them.

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