Big Water
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On January 19, 1964 Brazilian president João Goulart received his Paraguayan counterpart, General Alfredo Stroessner, at his farm in Mato Grosso do Sul. The two leaders spoke for six hours in a climate that Goulart described as “very cordial and very affectionate.” Stroessner, for his part, called it “a historic meeting, with tremendous importance for the future relations of both nations.”

A press release from the Brazilian government explained that “the thinking of both men was perfectly aligned, with complete and mutual respect.” Given the political context at the time, this meeting might have seemed impossible: Goulart was a leftist social reformer while Stroessner was a right-wing dictator at the head of a violent regime. Moreover, the governments of the two countries harbored a deeply rooted animosity that stretched back to the War of the Triple Alliance (1865–1872), a victory for Brazil and its allies that killed well over half of Paraguay’s male population. What common cause could Goulart and Stroessner possibly have found? And what enabled such friendly interactions between seemingly antagonistic presidents? The sole purpose of their gathering was to discuss the hydroelectric development of the Paraná River, which formed the border between Brazil and Paraguay. The river was considered a massive source of untapped energy and wealth, and by the end of the meeting it was agreed that both governments would collaborate in building “the largest dam in the world.” Over the course of the next two decades this project materialized as the Itaipu Binational Dam.
Although Stroessner would help oversee the construction of Itaipu, Goulart never did; barely three months after the Três Marias meeting, a military coup installed a dictatorship in Brazil that remained in power until 1985. Yet the Goulart-Stroessner encounter was emblematic of the allure that the Paraná River held for each country and hinted at how it would soon redefine the geopolitical landscape of the entire region. The frontier zone between Brazil and Paraguay had been contested since the late nineteenth century, but by the 1960s a new era of development goals led each country to aggressively stake its claim to the shores of the Paraná River. As they sought to make the Itaipu Dam a reality, the two nations vacillated between conflict and cooperation, with moments of extreme tension punctuated by declarations of unity and binational cooperation. In this chapter I trace the geopolitical relationship between Brazil and Paraguay in the 1960s and 1970s, exposing the tense and nearly violent events that paved the way for the Itaipu Dam. Moreover, I will show how debates and political maneuvering over interpretations of the Brazil-Paraguay border helped consolidate a new era of power relations for the entire Southern Cone.

At the heart of this conflict were questions regarding the countries’ shared border in the Guairá region: what exactly were its limits, how did it divide the waters of the Paraná River, and who had the right to redraw its boundaries. Far from geographical semantics, these issues had profound geopolitical implications. For nearly a century, the difference in the border’s interpretation surfaced mainly as diplomatic bickering. In the mid-1960s, however, the new impetus of hydroelectric development reanimated this conflict in increasingly dramatic ways. In 1965 a standoff took place in which troops from both countries were mobilized along the border, government officials were arrested, and battles of popular unrest and public opinion were fought. An armed conflict was avoided only with the signing of the 1966 Act of Iguazu, an agreement that marked the first official step toward the project that would become Itaipu. These problems continued to fester until the exact contours of the dam were established in the 1973 Treaty of Itaipu, a document that codified the uneven geopolitical relations between Brazil and Paraguay.

The border conflict functioned as a platform for Brazil’s rise to power. With the backing of the United States, Brazil’s military regime refused to recognize Paraguay’s historical claim to the frontier zone. Although the Paraguayan government did benefit from entering Brazil’s sphere of influence—through participation in a binational dam project—it could only do so on the terms stipulated by Brazil, one of its greatest historical rivals. Brazil’s actions throughout the
border standoff also served to marginalize Argentina, whose own borders lay downstream on the same Paraná River. Even before the 1965 saga began, Brazil had already begun to overtake Argentina as the region’s major power broker, but the control of the Paraná’s hydroelectric potential helped entrench a new geopolitical hierarchy.4

In this chapter I highlight pivotal moments in three events: the 1965 border standoff, the 1966 Act of Iguacu, and the 1973 Treaty of Itaipu. In addition, in an epilogue I will trace the grassroots responses from farmers whose homes would be lost in Itaipu’s 1982 flood. The geopolitical events described in this chapter were only the first stage in a longer history of how the Itaipu Dam reoriented the political, environmental, and social landscape of the entire region. The border standoff was a function of space as territory that was imbued with questions about sovereignty, diplomacy, and nation-states. From this initial history a new conflict emerged in the late 1970s over the meanings of space as land when small farmers and peasants led a grassroots movement against Itaipu. Whereas the military regimes viewed this landscape through a lens of geopolitics and industrial development, the soon-to-be-displaced farmers defended their own vision of land as both a physical provider of agriculture and a source of communal identity. From a contested international territory to the site of agrarian livelihoods, the Paraná borderlands was a space of overlapping meanings and experiences. Before Itaipu became a reality, however, and before approximately sixty thousand people were displaced on both sides of the border, the governments of all three countries engaged in a prolonged standoff.

The initial decade of geopolitics functioned as more than just the antecedents of Itaipu; rather, it was a process through which each country sought to redefine its place in the changing landscape of Latin America. For Paraguay, this was a chance to shed its image as a defeated nation. Most of the border debate extended back to the Loizaga-Cotegipe Treaty of 1872, when the victorious nations redrew the postwar boundaries. The War of the Triple Alliance began in 1865, and it is no coincidence that exactly one hundred years later, the dictatorship of Alfredo Stroessner resuscitated a debate over a treaty that had dismantled his country. For Paraguay, challenging the border stipulations of the 1872 treaty became a way to challenge the legitimacy of the war itself and an opportunity to rewrite a century of its haunting legacy. The Paraguayan regime’s efforts to deflect internal opposition toward an outside force were only partially successful, however, as popular dissent formed against both the Brazilian “invasion” of the border and Stroessner’s complicity in “selling out” the
Guaíra waterfalls. Even with this domestic tension, the government’s nationalist rhetoric meant that despite the concessions eventually made to Brazil, Stroessner could still claim the construction of a Paraná dam as a victory for the Paraguayan people.

The Brazilian government, on the other hand, used the border question as a test case for what politics and power would look like during the infancy of its dictatorship. Despite its overwhelming political and economic strength, the Brazilian regime realistically foresaw that it would have to allow its smaller neighbor to participate in a binational development project. Yet the Brazilian government concealed its willingness to collaborate, and it consistently strong-armed Paraguay. In this exercise of geopolitical posturing, the Brazilian government’s refusal to capitulate on its interpretation of the border allowed it to unilaterally dictate the terms of how Itaipu’s energy would be distributed.⁵

In this chapter I explore how the border question at Guaíra triggered debates over the legacy of war in Latin America, the meanings of national sovereignty and political boundaries, and the complexities of how neighboring military regimes coexisted. The Itaipu Dam has been a central catalyst in the development of both countries: the dam currently provides over 90 percent of all energy in Paraguay and has been cited as a key driver of Brazil’s ascent as the most powerful nation in Latin America.⁶ Despite Itaipu’s importance, almost no attention has been given to its bellicose beginnings—the few authors that do discuss these antecedents are limited by either their nationalist approaches or their periodization.⁷ This oversight should not be surprising, since Itaipu has continually been held up as a model of Latin American cooperation.⁸ This makes it all the more necessary to explore the turbulent roots that made possible “the project of the century.”

**ONE BORDER, TWO INTERPRETATIONS**

Brazil and Paraguay had fundamentally different perceptions of their shared border. This difference of interpretation had two main components, each of which was based on the legacy of the Treaty of 1872. The first relates to the set of waterfalls that were designated as the dividing line between nations. Paraguay referred to them collectively as the Salto de Guairá, an understanding that all seven of the falls belonged to one singular body of water. Brazil, on the other hand, called these the Sete Quedas (“seven falls”), implying that each was
FIGURE 8.1 Map of the contested border and the Guaira waterfalls. Courtesy the University of Wisconsin Cartography Lab; adapted by Frederico Freitas.
unique from the others. This distinction is critical because the Treaty of 1872 stipulated that the border between Brazil and Paraguay would stretch from the Mbaracajú mountain range toward “the waterway or canal of the Paraná River . . . to the Great Fall of the Seven Falls.” Paraguay thus interpreted the treaty to mean that the border stretched to the northern end of the waterfalls and encompassed all of them, while Brazil considered the frontier to bisect at the fifth fall—the tallest of the seven cascades. In the 1960s drive to harness the untapped energy of the Paraná River, Paraguay’s understanding that the waterfall (singular) belonged to both countries protected its claim to participate in any development project that included any portion of the falls. For Brazil, however, the belief that the border bisected the waterfalls (plural) justified building a hydroelectric dam on its section of the river that would completely circumvent Paraguayan waters.

The second component deals with how each country viewed the development of the border in the one hundred years since the War of the Triple Alliance. Paraguay emphasized that although the 1872 treaty designated the Mbaracajú mountains as a frontier line, the demarcation of this border stopped 20 kilometers east of the Guaíra waterfalls, leaving a substantial “no man’s land” on Paraguay’s side of the Paraná River. Conversely, Brazil was steadfast in its belief that at no point was there a contested frontier zone and that the border had been “definitively outlined” ever since 1872. By 1965 these diverging interpretations had become firmly ossified in the political imaginary of each country, producing a stalemate wherein both governments felt that their position was the only possible version of the truth. A report from Brazil’s National Intelligence Service (Serviço Nacional de Informações [SNI]) would later describe Paraguay’s beliefs as “entirely absurd, a perversion of legal-historical fact . . . by a pseudo-geographic worldview.” Paraguayan officials, for their part, considered their stance to be “completely solid” and ridiculed Brazil’s assertions that the border had been “definitively and fully demarcated since 1872.”

A parallel controversy implicated Argentina, a country with an equally important claim to the Paraná. Although the river originates in Brazilian territory, its downstream flow forms the border with both Paraguay and Argentina before finally emptying out into the Plate basin and the Atlantic Ocean. Throughout the twentieth century, Argentina encouraged river-use regulations based on the principle of “prior consultation” in order to protect itself from any damages from upstream development—specifically targeting Brazil. In the first half of the century, when Argentina’s regional superiority was more evident, its
proposals for river regulation were respected. As Brazil's influence grew, however, it rejected Argentina's attachment to prior consultation and instead cited the 1895 Harmon Doctrine—named for the former U.S. attorney general—to claim that it had no obligation to share water with any downstream nations.

After simmering as a persistent yet relatively uneventful issue for nearly a century, the question of how to use the Paraná River was thrust into the spotlight in the mid-1960s. The timing of the border conflict was particularly significant for the shifting power dynamics of the Southern Cone. Paraguay had been ruled by the Stroessner dictatorship since 1954, and by the mid-1960s the government had begun to move the country away from its traditional alliance with Argentina (its neighbor to the west) in favor of Brazil (its neighbor to the east). Brazil, meanwhile, had just seen the overthrow of democratically elected João Goulart in April of 1964. The new military regime was determined to transform the country into a global player and maneuvered to overtake its Latin American neighbors for regional and hemispheric power. Argentina's major backlash against what would become the Itaipu Dam did not take place until the 1970s—when it repeatedly denounced Brazil in front of the United Nations—but the origins of this river rivalry were fortified in the 1960s. It was in this climate of mutual distrust that the simmering border conflict began to boil over.

THE BORDER TAKES CENTER STAGE

On March 21, 1965, a group of nearly one hundred Paraguayans gathered along the shores of the Paraná River, the waters of which marked the physical border with neighboring Brazil. Among this contingent were high-ranking figures from the Stroessner dictatorship, various government authorities, and a large group of school children. They proceeded to raise the Paraguayan flag, sing the national anthem, and give rousing speeches about the pride and sovereignty of their nation. Three Brazilian citizens who lived nearby witnessed these actions and reported what they saw to the nearest military office. This information was then passed along to General Álvaro Tavares do Carmo, commander of the 5th Military Region, who on April 8 authorized members of the Brazilian military to be deployed to the exact location where the Paraguayans had held their ceremonies.

Two months later, on June 17, a detachment made up of one sergeant and seven soldiers crossed the Paraná River and set up camp just south of a small
outpost known as Porto Coronel Renato. For Paraguay, this “act of aggression” was nothing short of a complete violation of its territorial sovereignty. Brazil, on the other hand, considered Porto Renato to be within its own national boundaries and thus saw Paraguay’s previous actions in March—and not its own movement in June—as the actual invasion. Well aware of the reactions that this military incursion would incite, the Brazilian government declared that the detachment was only there to protect against terrorism and contraband operations along the border. Internal documents, however, indicate that Brazil explicitly sent the detachment in order to “counteract Paraguay’s growing presence in the region.”

News of Brazil’s garrison in Porto Renato quickly made its way to Asunción, and within days Paraguayan authorities began applying diplomatic pressure for the removal of the troops. Chancellor Raúl Sapena Pastor met routinely with Jaime Souza Gomes, the Brazilian ambassador in Asunción, and General Stroessner made numerous appeals directly to his colleagues in Brazil. For nearly two months Brazil neither gave a response nor officially acknowledged that it had even sent troops across the Paraná River. On September 1, Brazil’s
president, General Humberto Castelo Branco, finally sent a letter to Stroessner in which he stated that the group in Porto Renato “can by no means indicate a strategy of pressure, coercion, or repression on the part of the Brazilian Government.” This marked the beginning of a back-and-forth exchange between foreign ministries that one Paraguayan official referred to as “a veritable paper war.” As this conflict unfolded in the sphere of diplomatic communication, it also began to materialize on the ground itself.

In the middle of October, Paraguay received reports that Brazil was constructing barracks, roads, and even an airstrip on the lands adjacent to Porto Renato. In response, chancellor Pastor commissioned a group of Paraguayan authorities to travel to the “un-demarcated zone” to report back personally to him. On the morning of October 21, 1965—exactly seven months after Paraguay’s previous trip to the border region—five men boarded a plane in Asunción, and after landing on an empty road because of a lack of proper airports, drove in a jeep to where the Brazilian detachment was stationed. This group consisted of Pedro Godinot de Villare, the undersecretary of foreign relations; Carlos Saldívar, the chancellor’s legal advisor; Emilio Meza Guerrero, a military engineer with the National Border Commission; Conrado Pappalardo, Stroessner’s chief of staff; and an accompanying photographer. The group arrived in Porto Renato in the early afternoon and began taking pictures of the newly constructed facilities along the eastern shore of the Paraná River. A truck carrying Brazilian soldiers quickly appeared and instructed the group that they were under arrest, at which point they were taken into custody and detained for several hours.

What happened next depends on who is telling the story, as each country would craft a narrative according to its own geopolitical needs. For understanding the importance of these actions, however, what matters is not distilling the “truth” of what happened. Rather, we must trace how these competing stories were used by each nation in the unfolding border conflict.

The only two members of the arrested Paraguayans still living, Carlos Saldívar and Conrado Pappalardo, offer their version of what took place in Porto Renato. Both men recall that the Brazilian sergeant refused to provide a reason for their detainment and was extremely insulting. Saldívar remembers feeling particularly anxious because, to him, the previous months “had felt like a war, . . . We knew what had happened [in the War of the Triple Alliance], and our arrest could have started another one.” Brazilian reinforcements soon appeared with “heavily armed soldiers” who assumed “combat positions” and treated them
with “total incivility.” A Paraguayan press release emphasized these details, accusing Brazilian authorities of “mistreatment.” For the remainder of the afternoon, the Paraguayans were forced to sit outside—on tree stumps, according to Saldivar—until the commander of Brazil’s southern army arrived and gave the authorization to release the five men.

The Brazilian government claimed that the Paraguayans were never detained against their will and instead gave the following sequence of events. When initially approached by the Brazilian soldiers, the Paraguayan authorities refused to give their names or hand over their photography equipment. When the commanding officer arrived, he instructed the Paraguayans that they were not permitted to take photographs of Brazil’s military presence and, moreover, that they had intruded two kilometers into Brazilian territory. Outraged at the suggestion that this land belonged to Brazil, Meza Guerrero drew his gun and threatened to “send an armed squadron of Paraguayans.” Meza Guerrero was asked to surrender his weapon and the situation calmed down immediately. According to Brazil, “everything ended with a perfect understanding, with normal farewells,” and Meza Guerrero even extended a cordial invitation to the Brazilian officers to spend the December holidays with their families in Asunción.

Regardless of how exactly this incident transpired, it served to rapidly accelerate the border conflict. And whereas the early months of this standoff had mostly existed in the realm of interembassy exchanges, the events of October 21 attracted widespread media attention and inaugurated the battle for public opinion that would play out over the following year. Paraguay in particular seized on this new theater of conflict and routinely portrayed Brazil as the aggressor. As Christine Folch has shown, the Paraguayan public was told that Brazil’s presence in Guairá “was nothing less than a provocation to war and an affront to Paraguay’s national sovereignty. Speeches and letters to the editor in repudiation of Brazilian aggression were an almost a daily feature in October and November 1965.” In response, Brazil maintained that there did not exist a disputed region and that the land near Porto Renato was entirely within its own boundaries. News of the October 21 arrests circulated widely and sparked debate over the possibility of international mediation as Argentina, Uruguay, and even the United Nations were proposed as potential arbiters.

While politicians and military officials worked behind the scenes, the unfolding border conflict motivated popular forces to mobilize direct responses. On November 27 a demonstration was organized in Asunción by the youth sections
of the Febrerista and Christian Democrats opposition parties. In full defiance of Paraguay’s Law 294 that outlawed almost all forms of public protest, the crowd wound its way through downtown, stopping only at targeted locations: they burned a Brazilian flag in front of the commerce office of the Brazilian embassy, threw Molotov cocktails through the windows of various Brazilian-owned business, lit smoke bombs across from the Center for Brazilian Studies, and spread graffiti on the walls of the Brazilian military offices proclaiming “Paraguay sí, bandeirantes no: Fuera los mamelucos” (Paraguay yes, invaders no: out with the bastards). The Paraguayan police descended on the protestors, violently dispersed the crowd, and arrested fifteen students.

Tensions continued to mount, and according to Mario Gibson Barboza—who had just been appointed as Brazil’s ambassador in Asunción—1966 began in a climate of “enormous difficulty. Brazil found itself on the brink of war with Paraguay. . . . The conflict was strong and violent, the impasse deep and insurmountable . . . and all over the great problem of sovereignty, that magical word for which people kill and are killed.” Seeking to win the support of the international community, Paraguay began sending out copies of its previous communication with Brazil to embassies and foreign ministries all over the world. Along with distributing its exchanges with Brazil, Paraguay also appealed directly to various foreign diplomats by explaining its interpretation of the history of the border conflict while also explicitly calling for the removal of Brazilian troops.

The changing geopolitical landscape was evident to all governments involved. In Paraguay, the Stroessner regime sought to leverage its position between Brazil and Argentina—both geographically and politically—to increase its own economic standing. A report from the U.S. embassy in Asunción observed that “to bring pressure on Brazil . . . Paraguay is now playing up improved relations with Argentina.” This eventually led Stroessner to negotiate a deal with Argentina for a second binational dam on the same Paraná River, a project that resulted in the Yacyretá hydroelectric station only five hundred kilometers downstream of the future Itaipu site. Paraguay was thus able to play into the Brazil-Argentina rivalry to stake a claim to two different hydroelectric projects along its borders. For Argentina, competition over the Paraná River was part of what the former Argentine diplomat Juan Archibaldo Lanús referred to as the “hydroelectric saga.” Along with threatening its own energy projects farther downstream, a Brazil-Paraguay dam would cut off Argentina’s shipping and commercial lines to São Paulo through the Paraná-Tietê river systems.
Brazil’s willingness to antagonize neighboring countries is explained in part by the fact that it could still count on the support of the U.S. government. At an economic forum held in Buenos Aires, Lincoln Gordon—now the assistant secretary for inter-American affairs—was approached by Paraguayan delegates who wished to speak with him about the border conflict at Guaira. Gordon acknowledged that he had indeed received all of the documents that Paraguay had sent over the previous year—none of which received an official response—but indicated “that it would be very difficult for Brazil to remove its military forces.” Moreover, he voiced his concerns about a “smear campaign” in the Paraguayan media against Brazil. Although Gordon let it be known that his government was siding with Brazil in the border conflict, he did inform the Paraguayans that the administration of Lyndon Johnson was very interested in the prospect of building a hydroelectric dam on the Paraná River.43

In early April, Stroessner gave a lengthy speech to the House of Representatives in which he denounced Brazil’s invasion of Guaiira and its failure to honor the legal and moral codes of “Pan-Americanism that serve as the foundation of cooperation, solidarity, and friendship among the peoples of this hemisphere.” His description of Brazil as an imperialist nation was intended to juxtapose his characterization of Paraguay as a “generous, welcoming, and heroic” country that harbored neither “a domineering spirit nor greed.”44 Juracy Magalhães, for his part, consistently gave interviews with brash and often belittling statements about Paraguay. In response to Paraguay’s chancellor having called Brazil “aggressive and expansionist,” Magalhães said that “all of the Americas are well aware of the situation of our two governments and know which of the two must resort to fabricating artificial storylines.”45 Magalhães also gave a speech to the Chamber of Deputies on May 18 that hinted at the underlying current of the border conflict that would very soon take center stage: “We hope that the Paraguayan government trusts in the genuine sincerity of our offer to meet together for the well-being of both of our friendly nations in hopes of jointly developing all of the resources offered by the Sete Quedas waterfalls.”46

THE ACT OF IGUAÇU AND THE BIRTH OF ITAIPU

On June 21, 1966, representatives from both countries met in the border region for two intense days of negotiations that produced the Act of Iguaçu, a relatively short document that laid the framework for a binational dam on the
Paraná River. Despite eventually coming to terms, these negotiations were very tense, highlighted by a particular moment when Chancellor Sapena Pastor insinuated that the Treaty of 1872 needed to be reassessed. Magalhães responded by stating that a treaty could only be renegotiated by another treaty or by a war, and since Brazil refused to discuss a new treaty, he asked whether Paraguay was willing to start a war. Taken aback, Sapena Pastor asked whether the Brazilian chancellor was threatening Paraguay. Magalhães said that he was simply trying to have a realistic conversation based on facts. At 7 p.m. on June 22, in the presence of both delegations and various newspaper and radio reporters, the final document was presented and signed by Magalhães and Sapena Pastor. It consisted of eight articles, with numbers three and four being the most important. Article 3 stated that Brazil and Paraguay agreed to jointly explore the hydroelectric potential of their shared waters—recognizing that both nations shared equal domain to the Paraná River. Article 4 was the most controversial part of the final agreement; although it proclaimed that the energy produced would be “divided equally between both countries,” it also stipulated that each nation maintained the right to buy the other’s unused portion “at a fair price.” With a fraction of the population and energy needs of Brazil, it was obvious that Paraguay would use nowhere near its 50 percent share of the energy. Paraguay had initially proposed that the leftover energy be sold “at market value” but gave in when Brazil threatened to end negotiations during the afternoon of the second day. As such, Brazil’s insertion of the intentionally vague “fair price” clause guaranteed its ability to eventually reap tremendous profits from the Itaipu Dam.

A single memorandum was also attached to the final text. This document declared that although Brazil was firmly convinced of its territorial rights as granted by the Treaty of 1872, it would remove its troops from the border as a sign of goodwill. The very next paragraph states that Paraguay also maintains its interpretation of the Treaty of 1872 and asserts its own sovereign claim to the exact region occupied by Brazil’s military. What appears to be a fundamental paradox—both countries using an alleged peace treaty to codify the exact reasons that nearly brought them to war—is actually a perfect embodiment of the border conflict itself. Each government was willing to make public gestures of cooperation only because it helped lead to the development of a hydroelectric project. Yet neither was willing to change its ideological approach, a contradiction that hints at the ways in which the border conflict would continue to evolve for years to come.
Less than a week after the act was signed, an *O Globo* article reported that Brazil withdrew its soldiers from Porto Renato.\(^{52}\) If this were true it would have indicated that Brazil had been negotiating in good faith and that it was genuinely interested in building a new period of mutual prosperity. Yet the Brazilian government made no such efforts, and the detachment remained firmly entrenched along the border. By September, Paraguay had grown so frustrated that it sent Sapena Pastor to New York to give a speech to the General Assembly of the United Nations denouncing Brazil for having reneged on its promises. In response, Brazil said that although most of its troops had been removed, one sergeant and one corporal remained in order to guard the barracks and “dissuade contraband activities.”\(^{53}\) It was not until December 3—nearly eighteen months after its soldiers first arrived in Porto Renato—that Brazil finally withdrew all of its forces.

Although the exact location of Itaipu would not be determined until the early 1970s, the project design that was eventually chosen reveals the dam’s underlying geopolitical core; as Brazil’s foreign minister wrote in a confidential report, the dam “should flood the entire disputed zone, and as such, would finally resolve this problem.”\(^ {54}\) This eventually did occur in November of 1982, when twenty-nine billion cubic meters of water formed the Itaipu reservoir. This area included the Guaira waterfalls, located roughly one hundred miles north. After a hundred years of geopolitical standoffs, Brazil and Paraguay would finally find a way to make their border conflict literally disappear.

Before the exact plans for Itaipu were outlined—and before it was officially decided that the disputed border region would be flooded—there still remained a great deal of planning, negotiating, and political posturing. In April of 1969, representatives from Brazil, Paraguay, Argentina, Uruguay, and Bolivia met in Brasília to sign the Tratado da Bacia do Prata (Treaty of the Plate Basin), a broad agreement that sought to establish a basis for the “rational development and physical integration” of the rivers and tributaries that formed the greater Plate basin.\(^{55}\) A year later, the Joint Technical Commission oversaw the signing of a Cooperation Accord (*Convênio de Cooperação*) between Eletrobras and Administración Nacional de Electricidad (ANDE), the government energy agencies for Brazil and Paraguay, respectively.\(^ {56}\) This accord marked the first tangible step forward in the dam’s conception, and in January of 1973 the official proposal for Itaipu was presented to both governments.

As the details of Itaipu started to take shape, opposition to the project also began to form throughout the region. Oscar Creydt, the leader of the
Paraguayan Communist Party denounced the Stroessner regime for having “sold the Guairá waterfall” to Brazilian imperialism and called on people to resist Brazil’s occupation by overthrowing Paraguay’s dictatorship.\textsuperscript{57} One of the loudest voices of protest during this period came from Argentina, as its government became increasingly worried that the Itaipu Dam proposal would jeopardize its own development goals, specifically the Corpus hydroelectric dam that it was hoping to build on a lower portion of the Paraná River. Argentine politicians, nationalists, and engineers all joined the chorus of opposition in calling Brazil “hegemonic” and a “regional bully.”\textsuperscript{58} On two occasions, Argentina even took its case against Brazil to the United Nations.\textsuperscript{59} The conflict between Brazil, Argentina, and Paraguay over these competing binational dams persisted throughout the decade and was only resolved in 1979 when the Tripartite Agreement was signed in October of 1979, well after primary construction on Itaipu had already been completed.\textsuperscript{60} By this point, however, enough momentum had gathered behind the Itaipu proposal that the criticisms against it—and the geopolitical conflicts that had previously forestalled it—were minimized to the point of irrelevance. The main questions that still remained concerned Itaipu’s administrative structure and how the dam’s energy would be distributed between Brazil and Paraguay.

THE 1973 TREATY OF ITAIPU

The process of negotiation in the lead-up to the 1973 Treaty of Itaipu was drastically different from what had occurred with the Act of Iguaçu. In 1966, the preceding border conflict meant that the bulk of the actual negotiations took place over the tense two days of in-person meetings. By 1973, almost all of the groundwork had already been laid, either by the initial 1966 act, the various international summits, or most importantly, through the work of the Joint Technical Commission. Official deliberations were still held, and politicians in both countries were given space to voice concerns, but the Treaty of Itaipu was essentially agreed on long before presidents Médici and Stroessner met in Brasilia to sign it on April 26, 1973. The ease with which this treaty came into being was, of course, the end result of an incredibly contentious fifteen-year process of border standoffs and geopolitical posturing. So although the final “negotiations” lacked the drama of their 1966 predecessor, the Treaty of Itaipu must be seen as a more benign culmination of an earlier and highly contested history.
The 1973 Treaty of Itaipu consisted of twenty main articles complemented by three lengthy appendixes. Most of the treaty was devoted to outlining the dam’s engineering and administrative contours, yet a few smaller items tucked into the final appendix ultimately proved to be the most important and controversial section. Part 3 of Appendix C outlines the financial details for how Itaipu’s energy would be shared between Brazil and Paraguay.61 Honoring the agreement made in the 1966 Act of Iguazu, the 1973 treaty maintained that both countries shared equal right to the energy produced, but it elaborated by saying that all unused energy could only be sold to the other nation at a far-below-market fixed price of US$300 per gigawatt hour.62 Shocking as it might seem, this price could not be modified for fifty years—it was stipulated that the entire treaty could not be revised until the year 2023. Moreover, this transaction had to be paid for “in the currency available to the Binational,” which in practice meant Brazilian cruzeiros. Paulo Schilling (an economist) and Ricardo Canese (an engineer) have argued that these stipulations served to entrench Paraguay’s dependency on Brazil by pegging a substantial portion of its GDP to the Brazilian currency and effectively forcing Paraguay to spend the money it received on Brazilian imports.63

In light of these facts, and given the perception of Brazilian imperialism held by much of Paraguay’s society, it is important to ask why the Paraguayan government accepted Brazil’s terms. Along with Stroessner’s personal attachments to Brazil, it can be inferred that no matter how uneven the conditions, participation in the Itaipu project still promised unprecedented growth and prestige for the small, landlocked nation. Jan M. G. Kleinpenning has further argued that Stroessner’s acquiescence was motivated by a keen awareness that Brazil was far more powerful in a military, political, and economic sense—a geopolitical dominance that has been on display throughout this chapter.64 However, proponents of the treaty argued that far from “exploiting” Paraguay, Itaipu represented a fair partition of energy and resources since almost all construction costs were fronted by the Banco do Brasil.65 Moreover, Paraguay would only ever use roughly 5 percent of the electricity generated by Itaipu.

The Treaty of Itaipu was greeted by a steady stream of popular criticism. In Paraguay, the Democratic Christian Party declared that the 1973 treaty was even worse than the concessions made at the end of the War of the Triple Alliance, writing that “We have just witnessed the most deafening failure of Paraguayan diplomacy in its history. In 1870, we were defeated after a heroic resistance, but at least we were able to negotiate with pride.” In contrast, they believed that
the Paraguayan government had now sold out its people: “the miniscule price at which we must sell our energy is absurd. The fifty years of this price fixing is nothing short of cowardly.” Anger at the 1973 treaty was also evident in Argentina, where the continued stalemate over the Itaipu and Corpus dams was held up as an example of Brazil’s attempts to bully its neighbors. An editorial in the Argentine newspaper *Mayoria* compared the relationship between Brazil and Paraguay at Itaipu with that of Panama and the United States over the Panama Canal, and another magazine even called Itaipu “Brazil’s Hydro Bomb.”

These nodes of opposition were often overshadowed by mainstream celebrations of what was hailed as a modern marvel of the twentieth century. Stroessner declared that “Itaipu is a sign of our sovereign and fraternal destiny” and further offered that Itaipu would function as the “morale boost” that would lift Paraguay to a new level of prosperity. Particularly in Brazil, the celebratory narrative focused on how the benefits of Itaipu would be shared throughout the hemisphere. In a speech to Congress, Deputy Amaral de Souza declared that Itaipu would

unite the nations of a new Continent; it is the start of a new phase in the relations between Latin American peoples defined by reality, without political or ideological prejudice, and devoted exclusively to the economic, social, and cultural development of a vast and extensive region whose population aspires to and demands an exit from its unjustified underdevelopment.

CONCLUSION

In 1973, before ground had even been broken on Itaipu’s construction, it was evident that a significant change had already occurred. Over the previous fifteen years, Brazil and Paraguay jockeyed for control not only of the waters and lands that made up their shared border but for the right to determine how that border was perceived. On paper, Itaipu was important because it would become the largest hydroelectric dam in the world, a feat of engineering brilliance that would produce enough energy to modernize two countries. But in practice Itaipu took on a completely separate set of meanings.

This duality was not lost on contemporary observers, as even the Brazilian Minister of Mines and Energy, Antônio Dias Leite, admitted that “Itaipu is essentially political. The largest role in bringing it about was not done by
[my ministry] but by the Ministry of Foreign Relations.”70 From the late 1950s through 1973, the events and debates over what would become the Itaipu Dam helped crystallize new and increasingly uneven power relations throughout the region. In the wake of the Treaty of Itaipu, a North American Council on Latin America article observed that “The objective sought by Brazil is clear: Whoever controls the energy of the River Plate basin could dominate the subregion and emerge as a great power throughout the entire hemisphere.”71 Brazil thus succeeded in setting the stage for Itaipu in such a way that helped it to redefine the geopolitical landscape of the Southern Cone.

Despite the rhetoric of equal cooperation with Paraguay, Brazilian leaders had always seen the dam through geopolitical lenses, meaning that all decisions were guided by an underlying set of goals relating to the theory of “Brasil Grande”—an idea that for most of the twentieth century had envisioned the political and ideological ascension of Brazil as a global power. The intentions of the Brazilian government regarding the eventual Itaipu Dam remained consistent across political climates: both the nationalist left regime of João Goulart and the authoritarian dictatorship that deposed him were determined to tap into the financial and geopolitical potential of the Paraná River. The appeal of a massive hydroelectric project dam provided a rare thread of continuity in a period otherwise defined by rupture.

For nearly fifty year’s Itaipu’s hegemonic narrative has been that it helped trigger unprecedented development in each country—a claim that in many ways holds true. But what is often overlooked is that Itaipu also solidified the uneven power relations that were on display throughout the preceding geopolitical crisis. Publicly, Brazil’s leaders spoke of equal cooperation with Paraguay, yet their actions were guided by goals that sought to use Itaipu as a launching pad for Brazil’s rise as a global power. And although Paraguay did benefit greatly from this new source of energy, it was marginalized by the stigma of being a secondary nation stuck in Brazil’s shadow. Itaipu emerged from a collaboration built not on trust or mutual respect but on conflict, and only by revisiting this history can we fully explore its eventual magnitude.

**EPILOGUE: THE STRUGGLE FOR LAND AT ITAIPU**

The geopolitical events presented in this chapter offer only a partial account of Itaipu’s larger history. Once the international treaties were finally signed
and once the dam became more than an abstract goal of two military dictatorships, attention shifted to building the project. From an engineering standpoint Itaipu was unparalleled. At its height, Itaipu poured an average of three hundred thousand cubic meters of concrete a day—enough to build a twenty-story building every fifty-five minutes. When primary construction was completed in 1984, the Itaipu Dam stretched nearly five miles across and contained enough iron and steel to build three hundred and eighty Eiffel Towers. Beginning in 1974 over thirty-five thousand workers from both Brazil and Paraguay took part throughout the nearly twenty years of construction, with a peak of almost thirty-one thousand workers employed in 1978 alone. The overwhelming mass of these workers migrated from outside the region, leading to massive growth on both sides of the border. In Brazil, western Paraná’s population rose from fifty-six thousand in 1974 to over 250,000 less than six years later. Similarly, the Paraguayan city of Puerto Presidente Stroessner boomed to over one hundred thousand inhabitants, making it the second largest city in the country.

As the region’s urban areas witnessed a massive demographic spike, the Alto Paraná countryside trended in the opposite direction. Scheduled to be flooded in November 1982, the dam’s reservoir was slated to cover 1,350 square kilometers on both sides of the border—becoming the largest artificial lake on the planet. This area, however, was a fertile agriculture zone that was home to over forty thousand Brazilians and twenty thousand Paraguayans.

The result was the multiscale evolution of the Paraná borderlands. From the early 1960s to the early 1970s, the landscape was defined in geopolitical terms. But once construction on Itaipu began in 1974, the border transformed from an abstract space between nation-states into a material reality with wide-reaching consequences. Half a decade before Itaipu’s flood would irreversibly change the region’s environmental and social landscape, a grassroots movement emerged to defend a particular vision of agrarian and democratic rights. This struggle was led mostly by landed smallholders but also included peasants, sharecroppers, tenant farmers, and day laborers. A small contingent of indigenous Ava-Guarani also staged their own parallel campaign against Itaipu. Tracing the rural mobilizations against Itaipu shows how the initial geopolitical standoff manifested a decade later as a localized struggle for land. While scholars elsewhere have provided the parallel history of rural mobilization in Paraguay, in this section I will look only at events on the Brazilian side of the border.

For nearly a decade farmers in Brazil struggled against Itaipu under the banner of the Justice and Land Movement, the Movimento Justiça e Terra
This campaign primarily fought to receive better prices for the soon-to-be-flooded lands and staged two major land encampments that drew national attention and solidarity from some of the most important sectors of Brazil’s democratization movement. The evolution of the MJT struggle at Itaipu sheds light on the overlapping history of agrarian struggles and political opposition at a tense moment in Brazil’s transition away from dictatorship, a process known as *abertura* (the Portuguese word for “opening”). As a project conceived by the military regime yet brought to completion after the 1985 return to civilian rule, Itaipu was a physical link between dictatorship and democracy. And for the ways in which popular movements confronted the dam and its supporters, Itaipu became a space where the very notions of dictatorship and democracy were negotiated and put into practice.

Yet the farmers’ standoff at Itaipu was more than just a local expression of the political reawakening that was unfolding across Brazil. It took place in a region that was separated both geographically and politically from major urban centers. In interviews, many farmers recalled that Itaipu represented their first direct encounter with the military regime, often using the terms *Itaipu* and *government* interchangeably. In a region that had historically received little attention from the central government, Itaipu became a stand-in for the dictatorship itself. Moreover, the region’s proximity to two neighboring military regimes produced a steady transborder flow of exiles and opposition forces. Within the western Paraná landscape, numerous farmers referred to the fight against Itaipu as a “political classroom” in which rural communities learned to defend both their rights to land and their rights as citizens. So rather than serving as a passive setting on which the Brazilian state could imprint its grand development schemes, the peripheral nature of this border region cultivated a unique form of political consciousness.

The earliest actions in the struggle against Itaipu occurred in the mid-1970s, when the Pastoral Land Commission, a branch of the Lutheran Church, began holding meetings and study groups in western Paraná to raise awareness of the impending displacement and the need to organize in defense of the region’s farmers. In these early years, the central demands related to the farmers’ desire to receive more money for their soon-to-be-flooded lands and to be given new lands nearby so that they would not have to migrate out of the state. This, of course, largely discounted the livelihoods of landless peasants and indigenous communities that did not have the same “legal title” to their lands. At general assemblies, frustrated farmers shared stories that told of Itaipu paying unequal amounts for identical plots of land; the Bank of Brazil taking illegal
commissions on land sales; and Itaipu employees bullying farmers into signing below-market contracts. The growing conflict came to a head in 1980 and 1981 when the farmers staged a pair of land encampments outside the offices of Itaipu that lasted a combined three months, occupied headlines in Brazil’s largest newspapers, and helped catapult the lives of farmers in western Paraná into national debates over land, development, and democracy. Standing at the foot of the world’s largest hydroelectric dam, the thousands of protesting farmers became emblematic of the abuses of the military regime, and their demands for land and justice reverberated throughout the country.

This epilogue will now provide a brief glimpse into the MJT’s second—and largest—land encampment. By March of 1981, with less than two years remaining before the area’s planned flooding, barely 60 percent of the indemnification cases had been settled. As such, the MJT attempted to stage a protest camp inside the Itaipu construction site itself. The protesting farmers, however, never made it beyond the dam’s entrance gates, where they were blocked by dozens of gun-wielding state troopers and nearly one hundred agents from Itaipu’s private security force. Pushed back by this threat of violence, the farmers set up an encampment along the adjacent fork in the road. This location came to be known as the Field of Shame (Trevo da Vergonha), an area in front of the entrance gates that placed the protest in full view of anyone visiting the hydroelectric project. Situated along highway BR-277 (the regional access point to the Pan-American Highway), the encampment was also visible to drivers going to Paraguay, tourist buses, and commercial vehicles. Similar to the media coverage at the start of the Santa Helena camp, newspapers quickly announced the events unfolding in Foz do Iguaçu. In this instance, however, the press focused on the violent specter posed by the military’s presence. One headline wrote in capital letters that “ITAIPO RESISTS WITH GUNS,” while another reproduced an increasingly popular phrase among the farmers and their allies: “Are the guns of Itaipu the symbol of the abertura?”

Throughout the fifty-four-day encampment, farmers developed an intricate network of committees tasked with organizing all aspects of camp life. These included food preparation, sanitation, the shuttling of families back and forth from their farms, and perhaps most important in light of the extreme heat, the delivery of fresh water to the encampment. Media coverage was especially admiring of the organization of camp life, as headlines called readers’ attention to how the farmers had created “a mini-city” and “an evolved society.” The largest newspaper in the state, O Estado do Paraná, called it “the encampment of the century.”
Another sign of the growing influence of the Foz do Iguaçu protest was how much it was discussed by politicians, both at the national and state levels. During the camp’s first week, it received its highest-profile opposition figure to date: Leonel Brizola, the former governor and head of the Brazilian Labor Party (Partido Trabalhista Brasileiro [PTB]). Brizola had recently returned from exile after having been one of the most visible and outspoken critics of the dictatorship—according to one historian, only a few years beforehand Brizola had been “anathema to the military.” O Estado de São Paulo reported that Brizola gave “an impassioned speech” at the farmers’ encampment and was received by a series of standing ovations. Additionally, more than a dozen speeches were given in federal Congress and in the Senate during the opening weeks of the camp, primarily from members of the PMDB opposition party (Partido do Movimento Democrático Brasileiro). Deputy Paulo Marques addressed the Chamber of Deputies in Brasília and noted that perhaps Itaipu’s display of force was the actual symbol of the abertura and declared that it only served as further “proof of the government’s false intentions” in the alleged opening of democracy. By early May of 1981, over 30 percent of the region’s expropriations remained unfulfilled. In a climate of anxiety and uncertainty and with a growing national spotlight cast on Foz do Iguaçu, there was tremendous pressure on both sides to reach an agreement. On May 8, after nearly two months camped on the periphery of Itaipu, a deal was struck that included a revised proposal of nearly CR$500,000 per alqueire of land—over 60 percent higher than at the start of the protest. At a general assembly, farmers voted to approve the agreement and demobilize the encampment. Press coverage was overwhelmingly in favor of the farmers. Revealing the extent to which public opinion had sided with the MJT, newspapers reported on the final agreement with such headlines as “Making the Leviathan Fold,” “At Itaipu, Unity Was Strength,” and “Farmers Win Their Price: Crisis at Itaipu Is Over.” Organizations that had lent support throughout the farmers’ struggle also celebrated the MJT’s victories. The Paraná Federation of Rural Workers (Federação dos Trabalhados na Agricultura do Estado da Paraná [FETAEP]), issued a statement declaring that “This mobilization of united and organized workers, together with unions and other opposition groups, offered concrete proof . . . that only the mobilization of all [Brazilians] can secure social justice.”

Itaipu’s flood took place some five months after the end of the Foz do Iguaçu encampment. In the final weeks before the flood, the remaining families finally received their expropriation money and left the area. What had recently been a lively agricultural hub was now desolate; abandoned gas stations, cemeteries,
churches, and half-demolished buildings dotted the landscape. One journalist wrote that the region felt as though “it suffered an aerial bombing and all the people living in the small cities below were forced to evacuate in haste.” On October 13, 1982, the area surrounding the Itaipu Dam was flooded. Over fourteen days, twenty-nine billion cubic meters of water formed a lake that covered 1,350 square kilometers of both Brazilian and Paraguayan lands. In a span of two weeks, a landscape that had been lush farmlands supporting thousands of families disappeared under water.

In assessing the significance of the struggle for land and political rights that unfolded at Itaipu, it is essential to understand that the MJT was not simply a popular struggle that tapped into a national wave of political dissent. Rather, it was a movement that emerged from a region located far from established political centers and nestled along the border with two other countries ruled by military regimes. Although little scholarly attention has been given to the political dynamics of Brazil’s borderlands, areas such as western Paraná functioned as unique spaces of dissent. Many exiles returned to Brazil through this border region, and the immediate proximity to Paraguay and Argentina also enabled the formation of international solidarity organizations. This frontier zone was both a place where rural people earned their livelihoods and a porous borderland where politics became internationalized. And although the dictatorship saw the region as a source of untapped natural and geopolitical power, it also became a space where opposition movements saw an opportunity to build democracy.

The historical and geographic location of this landscape allowed the farmers to more easily connect their fight against Itaipu to the broader advances of the abertura. Brazil’s return to democracy has often been understood as an urban process pushed forward by established social movements and elite politicians. Yet the specific circumstances of this borderland helped germinate an antidictatorship movement that was rooted in localized struggles for land. In seeking to understand Brazil’s era of dictatorship, scholars must begin to widen their lens—not only to groups such as the MJT but beyond the cities to the various regions that conditioned the emergence of new political actors.

NOTES


3. Ibid.

4. Brazil’s geopolitical overtaking of Argentina began in the 1930s and accelerated in the 1940s when the government of Getúlio Vargas aligned the country with the United States in World War II. In exchange for Brazil’s wartime participation—its troops were sent to fight in Europe, and the United States was allowed to build military bases in the nation’s northeastern regions—Washington then “extended loans and technical assistance for the national steel plant at Volta Redonda, [and] gave Brazil substantial Lend-Lease aid (three-fourths of the total to Latin America)”; Stanley E. Hilton, “The United States, Brazil, and the Cold War, 1945–1960: End of the Special Relationship,” Journal of American History 68, 3 (1981): 600.

5. Although Brazil and Paraguay technically shared equal domain to the dam’s energy, the 1973 Treaty of Itaipu stipulated that Paraguay had to sell its unused portion of energy exclusively to Brazil at a price that was fixed for fifty years and far-below-market value. The uneven stipulations of the 1973 treaty will be discussed in detail later in this chapter.


7. Memoirs written at the time by leading political figures from both countries offer important insight into interembassy relations but are limited by the nationalist blinders of their authors. Leopoldo Ramos Giménez, Sobre el salto del Guairá al oído de America (Asunción: Anales del Paraguay, 1966); Mario Gibson Barboza, Na diplomacia, o traço todo da vida (Rio de Janeiro: Editora Record, 1992); Juracy Magalhães and José Alberto Gueiros, O último tenente (Rio de Janeiro: Editora Record, 1996). The only relevant academic monograph is an overview of Brazil’s presence in the border region, yet by covering the entire nineteenth and twentieth centuries, it is unable to closely examine the events of the 1960s. Francisco Doratioto, O Brasil no Rio da Prata (1822–1994) (Brasília: Fundação Alexandre de Gusmão, 2014).

8. The idea of Itaipu as a model of binational cooperation has received widespread criticism, especially from scholars and activists in Paraguay. Books that discuss the hegemonic practices of Itaipu include Ricardo Canese, La deuda ilícita de Itaipú: El más nefasto negociado contra el Paraguay (Asunción: Editorial Generación, 1999).

9. Seeking a neutral position, this chapter employs the term Guairá waterfalls, combining both Paraguay’s title of Guairá and Brazil’s use of the plural cascades.

10. See “Tratado de límites entre la Repúbli ca del Paraguay y el Império del Brasil,” 1872, Archivo Histórico de la Chancillería Paraguaya, Asunción, Paraguay (hereafter AHCP). A note to readers: the holdings of the AHCP are not categorically organized. As such, cited evidence contains only the identifying numbers of the original documents themselves.

11. Brazil embassy Note 92, March 25, 1966, AHCP.

13. Paraguay citations come from DPI 712, 12/14/1965, AHCP, and “Suscinta información sobre el diferendo paraguayo-brasileño relativo al salto del Guaíra,” March 15, 1966, AHCP.


15. Ibid., 347.


17. The region is spelled Guaíra in Portuguese, and Guairá in Spanish; this article will employ the former.

18. “Hasteamento da bandeira paraguaia em Coronel Renato provocou a sua ocupação pelos militares brasileiros,” Jornal do Brasil, January 6, 1966, 7. This article was second in a five-part series on the border conflict.


20. Ibid., 4. It should be noted that the present article offers the first evidence of the exact date that Brazilian troops occupied the border. In all previous scholarship, it was only known that these soldiers arrived at some point in June.


22. References to the small size of the detachment come from Minutes of the National Security Council (CNS), March 16, 1966, in BR AN, BSB N8.0.PSN, EST.286, AN-BSB; the symbolism of the troops was noted by Chancellor Juracy Magalhães in an interview on May 5, 1966: JM pi 66.04.05/1, Centro de Pesquisa e Documentação de História Contemporânea do Brasil/Fundação Getúlio Varga (hereafter CPDOC/FGV).


25. Verbal note from Castelo Branco to Stroessner, September 1, 1965, AHCP.

26. Edgar L. Ynsfrán, Un giro geopolítico: El milagro de una ciudad (Asunción: Instituto Paraguayo de Estudios Geopolíticos e Internacionales, 1990), 73. In the following months six letters were exchanged between both foreign ministries on the following dates: September 25, October 22, October 29, November 8, November 9, and December 14, AHI-BSB.

27. DPI 604, December 22, 1965, AHCP.


31. According to different versions of the story, the Paraguayans were detained between four and six hours.

32. All details included in Brazilian Embassy Note 322, November 8, 1965, AHCP.


36. Mameluco is a Portuguese word that refers to the first-generation offspring of a European and an Amerindian. Its use during the protests in Paraguay can be seen as a reference both to Brazil's alleged sense of superiority (for having descended from European culture) and the historical violation that Brazil wrought on native lands.


39. The most widely distributed of these exchanges occurred in January of 1966, when Paraguay sent out copies of a lengthy letter (DPI no. 712) it had written to Brazil on December 14, 1965, sharing it with twenty different embassies throughout the world; DPI notes 17–42, 1966, AHCP.

40. DPI 167, February 25, 1966, AHCP.


43. DPI 192, April 14, 1966, AHCP.


47. This agreement was known as the Ata das Cataratas in Portuguese and the Acta de Iguazu in Spanish. The document contained eight articles that totaled a little over six hundred words. “Diário Oficial da União,” August 8, 1966, 9061–62, http://

48. Ibid., app. 21.

49. Article 3 was celebrated as the Paraguayan delegation's greatest accomplishment; Brazil finally reversed its position that both the waterfalls and their potential energy belonged exclusively within Brazilian territory. Special Border Commission Report, September 1966, AHCP.

50. AAA/DAM/DF/G/SG/75/930.1(42)(43), in JM 66.01.27/1(A) CMRE, app. 22. CPDOC/FGV.

51. Article 8 of app. C of the 1973 Treaty of Itaipu required Paraguay to sell all of its unused energy exclusively to Brazil at the set price of US$300 per gigawatt hour (GWh). More importantly, this price was nonnegotiable and was stipulated to stay fixed until 2023. Ricardo Canese, Itaipú: Dependencia o Desarrollo (Asunción: Editorial Araverá, 1985), 16. These treaty terms were only renegotiated in 2009 under the leftist governments of Inácio “Lula” da Silva in Brazil and Fernando Lugo in Paraguay.


53. This information comes from a report marked “secret/urgent” written on June 6, 1967, BR AN, BSB N8.o.PSN, EST.286, pp. 728–37, National Archive, Rio de Janeiro (hereafter AN–RJ).


55. This agreement was the culmination of two previous summits held in Buenos Aires in February of 1967 and Santa Cruz de la Sierra, Bolivia, in May of 1968. The full text of the Treaty of the Plate Basin can be found at https://www.dpc.mar.mil.br/sites/default/files/ssta/legislacao/hidrovia/trat_bcprata.pdf. A follow-up meeting was held on June 3, 1971, at the IV Conference of the Chancellors of the Plate Basin, when representatives of the same five countries signed an additional agreement called the Declaração de Assunção Sobre o Aproveitamento de Rios Internacionais.


57. “El Salto del Guairá ha sido vendido por el regimen military antinacional encabezado por Stroessner,” Collection of essays by Oscar Creydt, personal holdings of Martin Almada.


60. This agreement established rules and engineering parameters for how both the Itaipu and Corpus dams could simultaneously function on the same river. For more details on the Itaipu–Corpus conflict and the Tripartite Agreement, see: Paulo R.

61. The full text in Portuguese can be found at http://www.aneel.gov.br/arquivos/PDF/dlg1973023_IATIPU.pdf.

62. The low cost stipulated for Itaipu (US$300/GWh) is evident when compared to the price allotted for the Yacyretá dam; during this same period Argentina and Paraguay agreed to sell its energy at US$2,098/GWh.


65. When the Treaty of Itaipu was signed in 1973, the Paraguayan government did not have sufficient capital to contribute to the launch of the Binational Corporation, so a deal was reached in which the Banco do Brasil loaned US$50 million to Paraguay to be paid back at 6 percent annual interest over fifty years. For more, see Osny Duarte Pereira, _Itaipu: Prós e contras_ (Rio de Janeiro: Editora Paz e Terra, 1974), 227–32.


70. As quoted in BR.AN.RIO.TT.o.MCP.AVU.21, AN–BSB.


73. Thomas G. Sanders, _The Itaipu Hydroelectrical Project_, UFSI Reports, 1982/no. 35 (Hanover, NH: Universities Field Staff International), 4.

74. For more on the Avá–Guarani, see Maria Lucia Brant de Carvalho, “Das terras dos índios a índios sem terra o estado e os Guarani do Oco’y: Violência, silêncio e luta” (PhD diss., University of São Paulo, 2013).

75. Although this chapter’s epilogue focuses almost exclusively on Itaipu as it relates to Brazil, an equally important and at times overlapping history took place in Paraguay. The Itaipu flood covered 570 square kilometers of Paraguayan lands (compared to 780 square kilometers in Brazil) and displaced over twenty thousand local Paraguayans. Much of the scholarship on Paraguay’s history with Itaipu deals with the unfair economic stipulations of the dam’s 1973 treaty that heavily favored Brazil.

76. Although closely linked to the governments of both Brazil and Paraguay, the Itaipú Binational Corporation technically exists as an autonomous entity governed by its own regulations. Although its administration is made up equally of Brazilian and Paraguayan citizens, Brazil’s influence is unquestionable. Over 80 percent of the initial financing and construction equipment was provided by Brazilians, and the country currently uses 90 percent of the dam’s generated energy.


88. Of the total area flooded for the Itaipú reservoir, 780 square kilometers were Brazilian and 570 square kilometers were Paraguayan. See Maria de Fátima Bento Ribeiro, Memórias do concreto: Vozes na construção de Itaipu (Cascavel: Edunioeste, 2002), 27.

89. In 1979 Paraná hosted the first-ever meeting of Latin American Opposition, a gathering of dissident political leaders from Brazil, Paraguay, Argentina, Peru, Chile, and Mexico; “Encontro Latino Americano de Oposições,” folder No. 01431, Public Archive of Paraná.

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