

BRAZIL, PARAGUAY NEW AGREEMENT DISCUSSED

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Brazil and Paraguay will sign a new agreement in the middle of next year for the construction of the Seven Falls hydroelectric plant, work on which will probably begin in 1974 and will be concluded at the beginning of the 1980's. The agreement is necessary because in the so-called "Iguacu Declaration" the principles were defined only for the study of the utilization of the Parana River, but not for the building of the hydroelectric plant.

The negotiations between the governments of the two nations have been carried out normally, and the preliminary studies give Santa Maria and Itaipu as the most probable locations for the construction of the dam. They also indicate the existence of an economically usable potential of 10 million kilowatts, which could be increased later. The plant will satisfy the demand for power in the central-south region.

Studies

General Amyr Borges Fortes, director of ELETROBRAS [Brazilian Power Companies Inc.], who is in charge of maintaining contacts with South American governments, said in Rio de Janeiro yesterday that "the studies are so far advanced that it will be possible to speed up the final project." He has just returned from Asuncion where he had gone to discuss the matter.

According to his report, Paraguay is greatly interested in the plant construction, which will represent considerable investments and will benefit both countries. He concluded:

"At the site where the hydroelectric plant will be built, a city of from 50,000 to 70,000 inhabitants will appear right away. This will be the first result of the undertaking."

Importance

The construction of the Seven Falls hydroelectric plant is very important to Brazil because of its location in the central-south region, where the annual rate of growth in the demand for electric power is 10 percent. Although it is estimated that at the beginning its potential will be 10 million kilowatts, the technicians in charge of preliminary studies are convinced that the yield could be larger, increasing the potential to 12 or 15 million kilowatts.

The technicians also say that even with 10 million kilowatts, the undertaking is economical, because the geographic characteristics of the region and those of the Parana River, between Guaira and Iguacu Falls, make it possible to carry out a relatively inexpensive project. It will not be necessary to have a large reservoir, for example, since the canyon of the river is suitable for building the dam and the installation of the plant. In addition, the water comes down already regulated by the Urubupunga dam -- Solteira Island and Jupia -- facilitating the utilization of the Seven Falls.

Problems

The main problems faced by Brazil in building the hydroelectric plant, and which are now being overcome, consist in the opposition of the Argentine government to the project. Argentina alleges that the project could alter the river system downstream from Seven Falls, damaging eventual irrigation services or power utilization that the country may have in the future.

Argentina has already signed an agreement with Paraguay for the construction of the Apice-Yacireta plant, also on the Parana River upstream from Seven Falls on the border between the two countries. However, according to technicians of the three countries, the construction of this plant will not be harmed by the Brazilian-Paraguayan undertaking. There is no technical problem which prevents Brazil from building on the Seven Falls or Paraguay from signing the agreement with Argentina.

Decision

The final decision on Seven Falls, expected next year, is becoming especially important to Brazil at this time,

because if it is not possible to build it within the envisaged timetable, studies must begin for the construction of other projects which would make it possible to satisfy the growing demand for electricity in the central-south region.

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