

BOLIVIA.

BOUNDARY AGREEMENT BETWEEN BOLIVIA AND PARAGUAY. GOOD OFFICES OF THE UNITED STATES.

File No. 724.3415/21.

Minister Grevstad to the Secretary of State.

No. 66.]

AMERICAN LEGATION,
Montevideo, July 9, 1913.

SIR: Referring to previous despatches¹ concerning the Chaco boundary controversy between Paraguay and Bolivia, I have the honor to report that a temporary modus vivendi has been recently established by an agreement which, after prolonged negotiations, was reached between Doctor Eusebio Ayala, then Minister of Foreign Affairs of Paraguay, and Doctor Mujía, the Bolivian Minister in Paraguay.

The agreement, known as the Ayala-Mujía protocol, which is secret, provides that both countries are to maintain the status quo in the Chaco for two years, and that meanwhile the two Governments will negotiate a definite treaty for a final adjustment of the controversy, or a treaty providing for mediation or arbitration.

It would appear that the Ayala-Mujía protocol has not yet been accepted by Bolivia. At the Foreign Office here in Asunción belief in its ratification is expressed, notwithstanding the uncompromising opposition voiced by such Bolivian newspapers as "El Norte" of La Paz, reported to be the personal organ of General Montes, President-elect of Bolivia.

This paper asserts that "Bolivia is owner and mistress of all territory west of the River Paraguay from Bahía Negra to the Pilcomayo River", and rejects arbitration as a method of settlement that in the past has proven to be prejudicial to Bolivia.

I have [etc.]

NICOLAY A. GREVSTAD.

File No. 724.3415/24.

The Acting Secretary of State to Minister Mooney.

[Telegram.]

DEPARTMENT OF STATE,
Washington, November 20, 1914.

The Bolivian Minister here states that by agreement between Bolivia and Paraguay made last year² in regard to their disputed boundary they agreed to preserve the status quo for two years pending negotiations for settlement or for arbitration; that his

¹ Not printed.

² See supra.

Government informs him that military parties from Paraguay have entered the disputed territory; that his Government considers this action seriously menaces peace between the two countries; and that Bolivia is most anxious to avoid a conflict.

In these circumstances the Bolivian Minister, acting under instructions, expresses the hope that the United States will be willing to represent unofficially to the Paraguayan Government the importance of preserving peace with Bolivia and of strictly complying with its agreement in regard to the status quo; that the Bolivian Government is anxious to do all in its power to avoid any ground of complaint; and that it will seek in a conciliatory and friendly spirit a settlement of the dispute.

In view of the foregoing statement by the Bolivian Minister and the earnest desire of the President to aid so far as possible in preserving peace in this hemisphere, you are instructed to approach the Paraguayan Government unofficially on this subject, expressing the hope of the President that nothing will be done by either Bolivia or Paraguay which will endanger the peace between the two countries. You will make it clear that these representations are made with no intention to interfere in behalf of either Government but in a spirit of equal friendship and solicitude for both.

It is suggested that before calling this matter to the attention of the Paraguayan Government you confidentially consult the Minister of Bolivia at Asuncion in regard to the controversy in order that you may be fully advised as to the points in dispute and the reasons for believing that peace is threatened.

The President fully realizes the delicacy of exercising the influence of the United States in this matter but he relies on your discretion and tact not to cause irritation on the part of the Paraguayan Government and to bring the matter to a successful issue.

LANSING.

File No. 724.3415/25

Minister Mooney to the Secretary of State.

[Telegram.]

AMERICAN LEGATION,
Asuncion, November 28, 1914.

The Paraguayan Government received an unofficial interview, authorized by Department's telegram of November 20, most cordially and asked me to convey to the Department its most certain assurances that it has done and will do nothing warranting a rupture of its peace with Bolivia. Paraguay denies its army has occupied or otherwise violated disputed territory and claims with much positiveness an absolute observance of the status quo. Bolivia has long had a policy of territorial expansion to reach deep river navigation on the Paraguay. No material change in the situation has taken place other than that Bolivia has become more persistent in her policy. Relations between Paraguayan Government and the Bolivian Minister are friendly to date.

MOONEY.

File No. 724.3415/26.

The Acting Secretary of State to the Bolivian Minister.

DEPARTMENT OF STATE,
Washington, November 30, 1914.

MY DEAR MR. MINISTER: Referring to our conference on the 18th instant, in which you orally requested the good offices of the United States in connection with the situation which seemed to threaten the peace existing between Bolivia and Paraguay, I would advise you that as a result of instructions to the American Minister at Asuncion he now reports the substance of an unofficial interview with the Paraguayan Government. The Minister states that the Paraguayan Government asked him to convey to this Government its most certain assurances that it has done and will do nothing warranting a rupture of its peace with Bolivia. The Paraguayan Government further stated that its armed forces had not occupied or otherwise violated the disputed territory, and the Government also claimed with much positiveness that it had absolutely observed the status quo agreement.

I am [etc.]

ROBERT LANSING.

File No. 724.3415/26.

The Bolivian Minister to the Acting Secretary of State.

BOLIVIAN LEGATION,
Washington, December 1, 1914.

DEAR MR. LANSING: I thank you very cordially for the kind interest you have taken regarding my request concerning Bolivia's relations with Paraguay.

I intended calling on you to inform you that the troops that have appeared in the neighborhood of our forts in the vicinity of the Paraguay boundary turned out to be some filibusters armed by some land speculators.

The report of the American Minister at Asuncion is very gratifying, and it dispels any fear that might exist as to the pacific policy of our good neighbors of Paraguay.

Please accept [etc.]

I. CALDERON.