THE IMPACT OF CONTEMPORARY CONFLICTS BETWEEN LATIN AMERICAN NATIONS ON REGIONAL STABILITY AND COOPERATION

BY

COLONEL BRIAN H. CHERMOL, MS

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12 FEBRUARY 1990

U.S. ARMY WAR COLLEGE, CARLISLE BARRACKS, PA 17013-5050
Throughout its history, Latin America has been embroiled in a series of armed confrontations and conflicts between its member states. Many of the disputes which have led to confrontations during the past five decades can be traced back to historical animosities that started soon after the nations became independent. An analysis has been made of five contemporary conflicts and their historical antecedents. These current conflicts are: Venezuela vs. Colombia (sea boundary); Chile vs. Peru-Bolivia (desert boundary); Ecuador vs.
Peru (Amazon basin boundary); Honduras vs. El Salvador (migratory boundary); and Honduras vs. Nicaragua (ideological and territorial boundary). After a review of the histories and dimensions of these conflicts, it was concluded that all of these conflicts had a strong economic component and that each of these conflicts had impacted on economic development within the region. The failure to resolve these disputes has prevented improved regional relations and cooperation in the economic, political and military spheres and poses a threat to peace in the region. All of the conflicts analyzed are capable of resolution and negotiations are underway to produce equitable solutions. It is recommended that the United States support such negotiations but not seek a role as mediator in these disputes, allowing the United Nations or the Organization of American States to assume that role instead.
THE IMPACT OF CONTEMPORARY CONFLICTS BETWEEN LATIN AMERICAN NATIONS ON REGIONAL STABILITY AND COOPERATION

An Individual Study Project

by

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Carlisle Barracks, Pennsylvania 17013
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ABSTRACT

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THE IMPACT OF CONTEMPORARY CONFLICTS BETWEEN LATIN AMERICAN NATIONS ON REGIONAL STABILITY AND COOPERATION

CHAPTER I

INTRODUCTION

To many citizens of the United States, the islands and continent to our south are a single entity differentiated only by their forms of government or languages. Some of our diplomats share a similar assumption: if nations share a common language or culture, they are natural allies. This simplistic belief in regional homogeneity has led to a number of diplomatic, economic and military blunders in cooperative ventures in the past decade. Efforts to conduct a united counter-drug campaign have been only marginally successful because of regional disputes, distrust and jealousies that impede combined action; efforts to eliminate intra-regional trade barriers have made little progress because of historical disputes that continue to serve as obstacles to economic progress today; and efforts to establish a regional military training center in Central America were defeated, in part, because of the host nation's refusal to allow the soldiers of neighboring nations to receive training which might some day be used in operations against the host nation.
To successfully conduct multinational military and diplomatic enterprises in Latin America, it is necessary to understand the contemporary conflicts which may preclude cooperation, could influence the level of cooperation or could limit the areas of cooperation. As Appendix 1 indicates, the challenges to peace and economic progress in Latin America today extend beyond the threats posed by the Communist states and the ongoing insurgencies in the region. Any comprehensive analysis of regional stability in Latin America must include an examination of the potential for armed conflict between neighboring states, the effects of these conflicts on regional cooperation and the role of the United States, if any, in resolving these regional disputes.

Since a comprehensive review of all 15 intra-American conflicts exceeds the scope of this analysis, five have been selected for examination. Those selected represent disputes that have involved armed confrontations in recent times and/or have the potential for escalation to active hostilities. All represent a threat to regional stability and cooperation and have served as impediments to the belligerents' economic development. The conflicts to be reviewed are: Chile vs. Peru-Bolivia; Peru vs. Ecuador; Venezuela vs. Colombia; El
Salvador vs. Honduras; and Nicaragua vs. Honduras. A map is provided (Figure 1) to orient the reader to current regional boundaries.
ENDNOTES


2. Department of the Army, DA Pam 550-151, pp. 198-199.
CHAPTER II

HISTORICAL ANTECEDENTS

INTRODUCTION

In order to understand the existing animosities within Latin America, it is necessary to first understand the historical roots of the disputes. With few exceptions, most contemporary conflicts are the result of poorly defined boundaries established by the European nations (primarily Spain) starting in 1493. These crude lines of demarcation assumed greater importance in the early 1800's as the Latin American "colonies" gained their independence from Spain and established separate political and administrative identities. Since the Spanish government could no longer intercede to settle border disputes, armed conflict between the newly independent nations became increasingly common. These disputes have continued into the present century because of the territorial losses experienced by some nations during the 1800's and the discovery, or potential for discovery, of valuable natural resources (e.g., oil) in the disputed regions.
Economic dominance has been a key element in all the disputes to be examined. Venezuela is competing with Colombia and Ecuador with Peru for territories that hold the promise of large petroleum deposits; Bolivia is attempting to regain from Chile a sea port on the Pacific coast and nitrate rich territory; Honduras is attempting to improve its economic status by reducing the flow of "economic" refugees from El Salvador and Nicaragua and barring the entry of socialist concepts from Nicaragua which could threaten Honduras' economic system; El Salvador needs more land in order to reduce its population density and level of unemployment; and all three Central American nations are competing for border territories which may eventually yield valuable natural resources.4,5,6,7,8

OVERVIEW (1825-1942)

The mid to late 1800's were a period of military adventurism in Latin America as newly independent nations tested the resolve of their neighbors. Disputes which could not be quickly settled diplomatically resulted in war (Figure 2). During much of the 19th century, Latin America experienced a series of major wars which delayed the economic development of the region and served as a source of bitterness and animosity which continue to exist today.
The first major war between the newly independent nations was the Argentina-Brazil War of 1825-1828. As a result of this war, Brazil lost what is now the country of Uruguay, Argentina was stopped from incorporating Uruguay into its national boundaries, and distrust developed between Brazil and its Spanish speaking neighbors. The War of the Triple Alliance (1864-1870) was the most devastating in Latin American history. The victors (Brazil, Argentina and Uruguay) lost a total of 100,000 men, while the loser (Paraguay) lost significant territory and nearly 90% of its male population of military age. The Chaco War (1932-1935) was caused by an attempt by Bolivia to replace territory lost to Chile in the War of the Pacific (1879-1883) and to gain an access route to the Atlantic Ocean. In this war, Paraguay was triumphant, resulting in the further loss of Bolivian land and even greater bitterness towards Chile for seizing Bolivia's Pacific seacoast.

The dispute between Colombia and Venezuela had its origins in the 1830 dissolution of Gran Colombia, which resulted in the independence of Ecuador, Venezuela and Colombia. Neither the Spanish nor Bolivar had adequately defined the seaward extension of the coastal boundary between
Colombia and Venezuela (Figure 3). These countries struggled with boundary definitions until modern times. The discovery of oil in the Gulf of Venezuela only exacerbated this historical dispute. A treaty in 1941 signed by representatives of both countries was denounced by the Venezuelan people and eventually nullified by its Supreme Court since it would have given Colombia control of the Gulf of Venezuela and the Los Monjes islands.

In Central America, the border disputes between Honduras and both Nicaragua and El Salvador are also rooted in the region's history. As in South America, the boundaries were never accurately portrayed or marked by the Spanish because the areas in dispute were unsettled and the maps of those times were only crude representations of the actual terrain. The lack of well defined borders between Honduras and its neighbors did not become a significant problem until after the dissolution of the United Provinces of Central America in 1838. With independence came a desire by each Central American nation to incorporate the disputed territory within its own national borders (Figure 4). Honduras and Nicaragua had frequent armed confrontations (particularly in 1860) over their common border. In 1906, King Alfonso of Spain mediated
one segment of their disputed border. He designated the Coco River as the northern border, but Nicaragua later rejected his decision and continued to portray the Patuca River as its northwestern border. The maritime boundaries of Honduras, Nicaragua and El Salvador in the Gulf of Fonseca were also in dispute and have yet to be resolved. In addition to the Gulf of Fonseca, Honduras and El Salvador share an extended land border which has few natural terrain features (e.g., rivers) and has proven difficult to survey and mark. In the late 1800's, El Salvador was embroiled in domestic violence and conducted frequent incursions into Honduras and the disputed zones, which culminated in a brief war with Honduras in 1899. From 1900-1930, relative calm prevailed. However, by the start of World War II, El Salvador's high population density, unemployment and internal violence had caused a large influx of Salvadoran "campesinos" (peasants) into Honduras in search of land and jobs. Some of these "economic" refugees settled in the disputed territories, which eventually led to armed confrontations between the two nations.

While the border disputes in Central America and the Caribbean sector of South America in the 1800's were of relatively low intensity, two wars occurred in South America
which resulted in a significant loss of life, a change in ownership of a significant amount of terrain and the creation of animosities and powerful national aspirations that continue to exert a strong influence on the region today.

WAR OF THE PACIFIC

The west coast regions of Peru, Bolivia, and Chile were the scene of one of South America's most costly wars in the 19th century. The War of the Pacific (1879-1883) was the second war between Chile and the Peru-Bolivia confederation. The first war lasted from 1836 to 1839 and resulted in a victory for Chile followed by its eventual withdrawal from Peruvian and Bolivian territories. This war was caused by Chile's concern that Peru and Bolivia would become major military powers in the region and would eventually challenge Chile for military and economic supremacy along the Pacific coast of South America. Chile's success in combat, after an initial failure, ensured its supremacy in the region, but evoked bitterness and resentment which were to last for four decades.

The second war (War of the Pacific) began in 1879. From the mid-1800's until 1879, Chilean mining companies had been
mining nitrate (used in gunpowder) from portions of the Atacama Desert in both Peru and Bolivia. The latter two countries were unable to exploit this resource because neither had the capital nor the machinery to extract the mineral. When Bolivia raised the tax on the Chilean mining companies yet again in 1879, Chile threatened and then took military action. Peru and Bolivia had signed a secret mutual defense treaty in 1873, but even their numerically superior combined army was no match for the Chilean army, supported by a much superior Chilean navy. The Chilean army quickly captured Lima, Peru, which it continued to occupy for two years. The Treaty of Ancon (1883) awarded Chile all of Bolivia's portion of the Atacama Desert (to include Bolivia's entire Pacific coastline) and the southern portion of Peru (Figure 3). In 1929, the Washington Protocol was signed, which returned the city of Tacna to Peru, allowed limited use of Chilean seaports and railroads by Bolivia and directed that no territory originally belonging to Peru could be ceded by Chile to Bolivia without Peru's consent.

As a result of this war, Peru lost access to most of the mineral wealth of the Atacama Desert. Bolivia also lost access to the mineral deposits but, more important, also lost access
to the Pacific Ocean (important for both trade and fishing). This loss of coastline in the 1800's retarded Bolivia's industrial development, decreased its trade opportunities, prevented it from becoming a maritime nation and subjected much of its imports and exports to Chilean control and taxation. It was this loss of territory and access to the sea which later caused Bolivia to engage in the Chaco War with Paraguay, which resulted in further loss of territory for Bolivia.

WAR OF 1941

The second significant war in South America that continues to exert an influence on current relations was the War of 1941 between Peru and Ecuador. Although a major armed confrontation did not occur until 1941, the dispute between Ecuador and Peru can be traced back to 1830, when Ecuador became independent of Colombia. At that time, the nation of Ecuador incorporated the Amazon River basin, a territory also claimed by both Colombia and Peru. This 100,000 square mile region of jungle and rivers was initially valued for its river routes to the Amazon River, which permitted trade with Brazil and access to the Atlantic Ocean (Figure 5). This dispute over ownership of the territory led to several shooting incidents along Ecuador's and Peru's common border.
between 1845 and 1860. After a period of quiet, which Peru utilized to begin populating the region, hostilities resumed in 1935 when Colombia formally ceded to Peru the land also claimed by Ecuador. From 1935 to 1940 there were frequent border attacks and numerous incursions by Peruvian military forces into Ecuadoran territory. The discovery of oil in Ecuadoran territory contiguous to the disputed basin region caused the Peruvians to resent their neighbor's good fortune and caused the Ecuadorans to want to expand their oil explorations into the basin region. In July 1941, after a series of border incidents, Peru's forces invaded Ecuador and captured El Oro province and much of the disputed territory. In October 1941 a cease fire was declared and in 1942 Peruvian soldiers left El Oro and Ecuador ceded 80,000 square miles of the disputed territory to Peru under the provisions of the Rio Protocol (which Ecuador later nullified). 20, 21

As a result of Ecuador's loss of territory, its population density increased, it was denied additional oil deposits in the basin region and its access to the Amazon River, the Atlantic Ocean and Brazil (a potent trading partner) came under Peruvian control and taxation. For its part, the government of Peru was satisfied with the Rio Protocol of 1942 and resented Ecuador's attempt to expand its already substantial "oil empire" at Peru's expense.


CHAPTER III

CONTEMPORARY CONFLICTS

INTRODUCTION

As previously noted, many of the region's contemporary territorial disputes are rooted in Spain's failure to adequately delineate its administrative subdivisions. This failure was due to a lack of accurate maps and a lack of concern because of the relative unimportance of the disputed areas and the ability of the Spanish government to resolve any conflicts within its domain. The inaccuracies only become a problem as nations become independent, their populations increased and valuable natural resources were discovered in the disputed zones.

The wars and border incidents from 1825 to 1942 set the stage for the ongoing contemporary struggles. These conflicts threaten the peace and stability of Latin America and thwart attempts to initiate multi-national economic, political and security projects which would benefit the inhabitants of the region. Now that the historical roots of the conflicts have been reviewed, it is possible to analyze the characteristics
of the current conflicts and develop possible strategies for their resolution.

OVERVIEW (1943-1989)

The period of 1943-1989 saw immense political and military changes in Latin America. At the beginning of this period, the majority of Latin American countries were ruled by dictators who maintained small armies to resist external aggression and ensure internal stability. By 1989, only Cuba and Nicaragua (which has scheduled elections for 25 February 1990) were without elected leaders, insurgencies were threatening or had threatened most of the continental nations, large standing armies had been created by most of the countries and the United States had assumed most of the influence and support roles formerly exercised by the European powers (Figure 6). In addition, the advent of television and the airplane had enhanced the exchange of ideas and information, raised aspirations and provided for the rapid transfer of political concepts, goods and people across national borders. Finally, the machine age dawned in this region which led to industrialization, exploration for petroleum and efforts to unionize and "socialize" the workers.
Unfortunately, many of the historic disputes were fueled by the very progress that highlighted the period. The discovery of oil in South America and its ability to enrich a nation exacerbated the territorial disputes between Venezuela and Colombia and Ecuador and Peru and played a role in the Central American conflicts as well. The increase in international trade and the "farming" of the sea could only be watched with growing resentment by land-locked Bolivia, and its lost coastline became its excuse for failing to achieve economic development. The promulgation of Communist ideology and of the concept of unionization led to border tensions between Honduras' conservative, plutocratic government and Nicaragua (which experienced early attempts to unionize its labor force and then a Communist revolution) and El Salvador (which was threatened by Communist doctrine and revolution). Therefore, Honduras sought to close its borders to socialistic concepts which threatened its security and economic system. In order to control access to Honduras, it was necessary to better define uninhabited border regions - which provoked boundary disputes.

With the passage of time came not only new ideas, increased trade and new discoveries, but also an increase in population. Encouraged by their Catholic religion and "machismo," populations throughout the region continued to
multiply, with particularly disastrous results in El Salvador (Figure 7). With a population density 10 times greater than the United States, its people migrated to Honduras in increasing numbers in search of land and jobs. In time, this trickle became a torrent which the Hondurans came to view as a threat to both their security and economic welfare.

Thus, historical disputes which were unresolved in the 1800's became contemporary border disputes not only between geographical entities, but also between the "haves" and the "have nots" and competing ideologies, economic systems and forms of government.

An analysis of each of the selected disputes will demonstrate the multidimensional aspects of the issues involved.

CHILE VS. PERU-BOLIVIA

The passage of over 100 years since Peru and Bolivia lost their territory in the Atacama Desert to Chile has done little to erase the resentment and bitterness present within these nations. Peruvians still recall the occupation of their capital city by the Chileans and talk of regaining the city of Arica. Bolivians trace their economic decline to the loss
of Antofagasta and few days pass without at least one mention of a Pacific seaport in the press. While the value of the minerals in the Atacama Desert is now marginal at best, both countries comprehend that for most of the last 100 years Chile enjoyed substantial economic benefits from its nitrate mining operations in the Atacama Desert - a benefit that assured its economic supremacy in the region. Within both Peru and Bolivia, a significant portion of the population would support efforts to regain by force that territory which was ceded by the Treaty of Ancon (1883). The Bolivians, in particular, have kept this issue alive through special postage stamps, political speeches, rallies, daily commentaries in the nation's newspapers and endless diplomatic requests to Chile, the United Nations and the Organization of American States (OAS) to reopen negotiations. Bolivian politicians have seized upon the loss of the Pacific coastline to "explain" the high inflation rate and to excuse the government's failure to promote industrialization in the mid-1900's.

To demonstrate its displeasure, Bolivia broke diplomatic relations with Chile in 1978. In 1979, Bolivia brought the matter to the OAS, which voted to support Bolivia's request for unrestricted access to the Pacific Ocean. Peru has
expressed its displeasure by occasionally closing the Peru - Chile border, thus isolating Arica (Chile); the most recent closure was for two weeks in November 1989. With the recent election of a civilian president in Chile (Aylwin, a Socialist), the government of Chile may become more flexible in its position. Fidel Castro of Cuba has offered to mediate this dispute once Aylwin is inaugurated. In October 1989, President Garcia of Peru stated his country's willingness to approve any transfer of Chilean coastal territory to Bolivia. The only existing obstacle to the settlement of the Bolivia - Chile dispute is General Pinochet's (Chile) insistence on receiving Bolivian inland territory in exchange for Chilean seacoast property.

A threat to stability could arise in the future if President-elect Aylwin of Chile refuses to negotiate with Peru or Bolivia or demands that Bolivia cede national territory in order to obtain a seaport. Considering the relative worthlessness of most of the Atacama Desert, any land exchange agreement would probably benefit Chile more than Bolivia. The threat to Chile would not be from Bolivia alone, but from the confederation of Peru-Bolivia plus Argentina, which signed a mutual defense treaty with Peru in 1982. Argentina's ongoing
disputes with Chile regarding Antarctica and the Beagle Channel make Argentina a natural ally for Peru. However, Chile also has its allies. It has a mutual defense pact with Ecuador (an enemy of Peru) and a “special” relationship with Great Britain, which it supported in the War of the Malvinas (Falklands).²²

Any regional conflict would probably commence due to the initiation of hostilities between Argentina and Chile or between Chile and Peru. Either scenario would probably result in an attempt by Ecuador to regain territory it lost to Peru in 1941, an attempt by Bolivia to seize a coastal city and an attempt by Chile and/or Argentina to acquire territory in the "Southern Cone." The danger to Chile would come from attempting to fight on two fronts - east and north. Both Argentina and Peru (which is well equipped with Soviet arms) have military forces in numbers equivalent to Chile. Chile currently receives no military grants or aid from the United States (Figure 8), but this will probably change once civilian rule is re-established in 1990. The unknown element is Great Britain, which could assist Chile with equipment, munitions or even military forces if hostilities commenced with Argentina. Due to the various alliances, it is difficult
to predict the outcome of a war in this region. However, one probable outcome is that Peru would regain Arica and the northern portion of the Atacama Desert since its forces are within a day's march, while Chile has few forces in the lengthy but virtually uninhabited Atacama Desert. Despite this geographical advantage, the probability of Peru initiating hostilities is very low since President Garcia's military forces are presently locked in an increasingly desperate struggle against the "Shining Path," other guerrilla organizations and the drug merchants.

**PERU VS. ECUADOR**

The Rio Protocol of 1942 supposedly settled the boundary dispute between Peru and Ecuador. This treaty awarded most of the contested region to Peru, thus denying Ecuador additional oil sources and unrestricted access to the Amazon River (and, thereafter, Brazil and the Atlantic Ocean). Since World War II, Ecuador has continuously protested the Protocol's provisions. In 1955, it accused Peru of making preparations to seize additional Ecuadoran territory, but an OAS investigating team found no such evidence. In 1960, Ecuador declared the Rio Protocol null and void, which has led to a series of shooting incidents along the border, required
both nations to spend substantial sums to upgrade their military forces, depressed trade between the nations, retarded oil exploration in the Amazon basin and encouraged both countries to seek military allies.\textsuperscript{11} As noted previously, Peru has allied with Bolivia and Argentina while Ecuador has allied with Chile.\textsuperscript{12}

In January 1981, the bloodiest encounter occurred along the Peru-Ecuador border since 1941.\textsuperscript{13} An isolated exchange of gunfire quickly escalated into attacks by Peruvian commandos and its air force on Ecuadoran outposts that lasted for five days and claimed a total of 200 lives. In February 1981, the conflict re-ignited with further losses. Argentina, Brazil, Chile and the United States were able to establish a cease-fire and, later, a demilitarized zone. However, in 1983 and 1984, shooting incidents were again reported. More recent events related to this dispute were the closing of the common border by Peru in November 1989 for two weeks and the early departure in August 1988 of the Peruvian delegation to President Borja's inauguration in Quito, Ecuador after Borja stated that regaining the lost territory was to be a goal of his administration.\textsuperscript{14, 15}
Peru is satisfied with the Protocol's provisions and is focused on its insurgency and cocaine problems, so it poses little threat to Ecuador. With an army only one third the size of Peru's, Ecuador poses little military threat to its neighbor to the south. The only possible reasons for war would be the depletion of Ecuador's oil and/or an attempt by Ecuador to regain the disputed territory as part of a larger regional conflict involving Chile, Argentina, Peru and their allies. At the present time, the potential for war is low — but border incidents can be expected to continue.

VENEZUELA VS. COLOMBIA

The Venezuelan people believe that they have lost too much territory since gaining their independence in 1830.¹⁶ Thus, Venezuela is embroiled in three border disputes that had supposedly been resolved in earlier times: a) a dispute with Guyana (a former British colony) over the Essequibo territory; b) a dispute with Colombia over their common terrestrial border (its exact location, plus the smuggling and migration occurring across it); and c) a dispute with Colombia over the Los Monjes islands and the Gulf of Venezuela.
The 1941 Treaty on Borders between Colombia and Venezuela established both the land boundaries (to include division of the Guajira peninsula) and the maritime boundaries. However, when the Venezuelan people learned that their representatives had agreed to give Colombia control over most of the Gulf of Venezuela, negotiations had to be re-opened. A more equitable settlement was proposed in 1975, but the Venezuelan military forced the government to reject the proposal. Further efforts to resolve this dispute in the 1970's and early 1980's were unsuccessful due to numerous border incidents involving Colombian nationals and the reported harassment of Colombians living in Venezuela. In 1981, the Supreme Court of Venezuela nullified the 1941 Treaty, despite a proposal by Colombia that would have equally divided any oil revenues realized from drilling operations in the Gulf of Venezuela. In 1983 and 1984 additional border incidents occurred which resulted in the deaths of soldiers and civilians from both countries. In 1987, the most serious confrontation occurred when Colombian naval craft entered the Gulf of Venezuela and both countries moved army units to the border region. Diplomatic efforts at the presidential level succeeded in resolving this confrontation. In October 1989, President Perez of Venezuela
and President Barco of Colombia met to resolve the land border disputes. A common border has now been established and both countries are working jointly to control smuggling and illegal migration across the border. The maritime dispute has not been resolved, but in March 1989, both leaders agreed to submit the dispute to an international commission which has now been formed and is reviewing the claims of both countries. Due to these meetings and agreements, the potential for hostilities is low at this time. Colombia has a slightly larger army than Venezuela, but Venezuela has invested much of its oil profits in advanced jet combat aircraft - so both nations are approximately equal in military power. Both nations have also invested heavily in small submarines which could be utilized along the Caribbean coast and in the Gulf of Venezuela. On the diplomatic front, Venezuela has established closer relations with Nicaragua (which also has a territorial dispute with Colombia) and with Argentina (which was supported by Venezuela in the Malvinas War, but not supported by Colombia). For its part, Colombia has re-established relations with Guyana, which has a border dispute with Venezuela.

With Venezuela receiving adequate oil revenue from its operations in Lake Maracaibo, with its military still involved
in small scale counterinsurgency operations and with border disputes still being negotiated with Guyana and the Netherlands, Venezuela has no desire to engage in hostilities with Colombia. Until recently, Colombia has been assertive in its territorial claims, but its increased counter-drug and counterinsurgency operations have severely taxed its military forces, so any incursion into Venezuelan territory or the Gulf of Venezuela is now unlikely. In fact, 1990 holds great promise for the resolution of this last dispute between these nations.

**EL SALVADOR VS. HONDURAS**

El Salvador is one of the most violent nations in Latin America. Even prior to its insurgency, its homicide rates were the highest in the region. Its boundary disputes with Honduras include both the rugged mountainous region in the north of El Salvador and the Gulf of Fonseca to its southeast. As noted previously, El Salvador's history is replete with incursions against its neighbors in both Guatemala and Honduras.

The most recent war between El Salvador and Honduras was in 1969 (the Soccer War). From 1930 until 1969, large numbers of Salvadorans had crossed the border into Honduras in search
of land and jobs.24 The Hondurans responded to this increasing influx by passing laws which prohibited Salvadorans from owning land; utilizing the Salvadorans as a source of cheap manual labor; beating and mistreating some of the refugees; and, in early 1969, expelling 100,000 Salvadorans from Honduras.25 On 14 July 1969, El Salvador won the regional soccer championship in Tegucigalpa, Honduras, which resulted in a riot which killed and injured spectators from both countries. Resenting the Hondurans for their past treatment of Salvadorans, El Salvador declared war on Honduras. During the next 10 days, Salvadoran ground forces advanced to within 70 miles of Tegucigalpa, where Honduras' superior air force finally halted their advance. With a total of 4000 deaths, the OAS was finally able to initiate a cease fire and then the withdrawal of Salvadoran forces from Honduras.26 New, but less intense fighting erupted in 1971 and 1976.27 In 1980, a formal treaty was signed between Honduras and El Salvador because FMLN insurgents and Honduran rebel groups were using the disputed demilitarized zones as sanctuaries. Since 1980, there have been numerous instances of military action against neighboring nationals along the common border. For example, in May 1980, over 300 Salvadoran refugees were reported killed
by Honduran soldiers and, in October 1988, Salvadoran planes bombed Honduran homes in and near the disputed territory and Salvadoran soldiers drove Honduran civilians out of these areas.28, 29 There have also been reports of meeting engagements between Honduran and Salvadoran forces (e.g., June 1989) and "joint" border operations against insurgent forces that resulted in cross border exchanges between "friendly" forces (e.g., January 1989).30, 31 In July 1983, El Salvador exacerbated the dispute by claiming the entire Gulf of Fonseca, which has valuable fishing grounds and may contain oil deposits. The animosity between El Salvador and Honduras was responsible, in part, for the cancellation of a project to train Central American soldiers in a joint training center in Honduras in the mid-1980's.32

In a visit to Honduras in May 1989, President-elect Cristiani of El Salvador pledged to abide by the decision of the International Court of Justice (The Hague), which is presently meeting to review the boundary dispute between Honduras and El Salvador.33 It is probable that this action will resolve the disagreement on the exact location of the boundaries, but only government-to-government negotiations will prevent further incidents as both countries conduct
search-and-destroy operations in this poorly marked region which is utilized as a sanctuary by guerrillas and refugees.

Since El Salvador's forces are significantly larger than Honduras', any major armed conflict would be weighed in favor of El Salvador. However, with both countries focused on their own insurgencies, it is doubtful that any major confrontation will occur in the 1990's. The decision of the International Court of Justice in 1990 should help resolve this dispute and the elimination of the FMLN within El Salvador would obviate the need for military operations in close proximity to the border.

NICARAGUA VS. HONDURAS

Though the boundary between Nicaragua and Honduras was supposedly settled by the King of Spain in 1906, border incidents continued until 1960 (with the most serious incursion in 1957) when President Somoza of Nicaragua agreed to accept the 1906 lines of demarcation (i.e., the Coco River).

The border incidents from 1930 to 1969 were a result of Honduras' desire to prevent Nicaraguans from entering Honduras to cause labor unrest (i.e., unionization) or to
initiate and support Communist insurgencies aimed at the military dictatorships in Honduras. From 1969 to the present, the goal of the Honduran government has been to prevent the FSLN or Sandinistas from aiding Honduras' insurgents and, from 1981 to the present, also to prevent incursions by Nicaraguan forces into Honduran territory.\textsuperscript{34}

It is generally acknowledged that many of the border violations from 1982 to 1988 were due to "Contra" (anti-Sandinista guerrillas sponsored by the United States) activities along the Honduran-Nicaraguan border. Supported by the United States, the Honduran government permitted Contra forces to assemble and train along the Nicaraguan border beginning in 1981. The Contra forces were supplied directly by the Central Intelligence Agency or received old equipment from the Honduran Army when the U.S. provided new equipment to Honduras.\textsuperscript{35} It is reported that the Honduran Army provided the Contras with indirect fire support during cross border operations and served as a defensive shield when the Contras returned to Honduran territory.\textsuperscript{38} As Nicaraguan forces staged cross border attacks, Honduran forces began to conduct retaliatory strikes into Nicaragua. Much of this military activity has dissipated since the U.S. Congress refused to fund lethal aid for Contra military operations in 1988.
In November 1989, Honduras claimed that Nicaragua was massing units for a cross border assault, but no attack materialized. On 13 December 1989, President Ortega of Nicaragua agreed to stop supplying arms to the FMLN in El Salvador. This same agreement among Central American leaders called for the demobilization of the Contras and a halt to all arms shipments to insurgent groups throughout the region. If adhered to, some of Honduras' concerns about an FMLN victory in El Salvador and increased insurgent activity in Honduras could be placated, which would be reflected in decreased tensions along the borders. Unfortunately, recent events suggest that Nicaragua is continuing to supply the FMLN with selected weaponry and is training Honduran guerrillas within its country.

While the Nicaraguan Army is significantly larger than Honduras', Honduras has little fear of an actual invasion by Nicaraguan forces since such an act would be opposed by the United States and possibly El Salvador. Honduras is more concerned about the impact of Communist ideology on its people and the external sanctuary and support provided by Nicaragua to Honduras' small insurgent groups (i.e., the same assistance provided by Nicaragua to the FMLN in the early 1980's).
The best hope for a further reduction in border incidents is the United Nations (UN) observer team that will be operational in border regions by January 1990. This multinational team was requested by both Nicaragua and Honduras. Honduran officials believe that the team is a start to preventing border violations, but believes that UN troop units may be necessary to adequately police the disputed zones and prevent the threats to peace that occurred in November and December 1989 (i.e., Nicaraguan preparations for a cross border attack). The presence of a democratically elected President in Honduras and the possible election of a non-Communist president in Nicaragua in February 1990 would do much to alleviate the possibility of cross border incursions by either party since neither country would pose a threat to the other's social, economic or political systems.
ENDNOTES


15. "Ecuador se Indispone Con el Per.


23. Department of the Army, Area Handbook for El Salvador, pp 210-211.


25. Department of the Army, DA Pam 550-151, p. 41.


27. Ibid p. 47.


29. "Bolson los Dolores en Poder de Salvadoreños," Heraldo (Tequcigalpa), 4 October 1988, pp 4-5.


32. Department of the Army, DA Pam 550-151, pp 198-199.


34. Department of the Army, DA Pam 550-151, p. 237.

35. Ibid, pp 238-239.

36. Ibid, p. 239.


38. "EEUU Aplaudes Decisiones de la Cumbre de San Jose," Diario Los Americas (Miami), 14 December 1989, p. 6A.


CHAPTER IV

REGIONAL STABILITY AND COOPERATION

As a result of historical and contemporary conflicts within Latin America, regional economic, political or military cooperation is usually the exception rather than the rule.

A geopolitical analysis reveals that the best relations among nations in Latin America are enjoyed by countries that lie in close proximity, but do not share a common border. Because of the rather crude system of delineating boundaries utilized by the Spanish, countries which share a long common border have inevitably become embroiled in territorial disputes which have led to violence.

Within Latin America today, there is a relative balance of power. Because of alliances both internal and external to the region, an actual invasion of one country by another would meet strong resistance both from the invaded nation and its allies. For example, the slight advantage in numbers enjoyed by Colombia is offset by the advanced combat airpower possessed by Venezuela; and any move by either nation against the other could trigger support from their allies - Guyana and
Nicaragua, which have territorial disputes with Venezuela and Colombia respectively. In the Southern Cone, a major war between Argentina and Chile would probably cause Peru and Bolivia to open a second front against Chile to regain the northern Atacama Desert and cause Ecuador to invade the Amazon basin region of Peru to capture the oil deposits there. Another possible participant would be Great Britain, which could provide Chile with material support, if not forces. In Central America, an invasion of Honduras by Nicaragua could possibly cause El Salvador to attack Nicaragua and would most certainly cause the United States to help Honduras to repel the Communist invaders. An attack by Honduras on Nicaragua may not lead to the participation of US forces, but could cause Cuba to send assistance to Nicaragua. However, because of the overwhelming military power of Nicaragua, an attack by Honduras is highly unlikely.

Thus, even the weakest military powers in Latin America (e.g., Bolivia, Guyana, Honduras and Ecuador) enjoy a large degree of protection because of their alliances with more powerful countries, both inside and outside of the region. The risk of attack at the present time by any nation is low. This is because most of the nations are struggling against
internal insurgencies, have a debt crisis and/or are undergoing profound political change. Two other recent events bode well for the future: the worldwide retrenchment of Communism and the conduct of democratic elections throughout the region. President Ortega has agreed to stop sending arms to insurgent groups in Central America, the Soviet Union may be decreasing the flow of arms to both Cuba and Nicaragua and Panama is no longer a transshipment point for arms to insurgent groups. The election of a non-Communist as president of Nicaragua in this month's election could leave insurgent groups in both Honduras and El Salvador without external support, sanctuaries and foreign arms. The spread of democracy throughout the region also raises optimism since history has demonstrated that democratically elected governments in Latin America engage in fewer border hostilities than when a government is under the rule of a dictator (Communist or otherwise). While border incidents will continue, the possibility of a major war seems low, and if such a war did occur, a costly stalemate would be the probable outcome.

Unfortunately, regional balance does not translate into regional military cooperation. The cancellation of the
regional military training center (Honduras); the continuation of cross-border firefights between Honduras and El Salvador/Nicaragua, Colombia and Venezuela, and Peru and Ecuador; the paucity of combined military training exercises by Latin American nations; the scarcity of combined border operations against insurgents and drug producers; and the difficulty being experienced in coordinating a regional counter-drug campaign are but a few examples of failures in military cooperation. The resolution of the current border disputes and the passage of time will be necessary if concepts such as regional training centers and multinational counter-drug strike forces are to become realities in Latin America.

As a result of the mistrust and resentment generated by past wars and current disputes, nations throughout Latin America feel compelled to maintain a level of military power which is comparable to that of their neighbors. In Third World countries such as Venezuela and Ecuador, much of the oil revenue realized by these countries goes to purchase military equipment and munitions. Venezuela has the most modern air force in Latin America — a fact that concerns both Colombia and Guyana and causes them to spend a disproportionate amount of their GNP on military purchases. This "arms race" also
impacts on the United States, since nations receiving MAP and FMS funds insist on funding levels equivalent to their neighbors'.

In addition to the relative lack of military cooperation within the region, economic development is also delayed by these ongoing boundary disputes and the possibility of military conflict. Areas in Nicaragua, Venezuela and Peru that are believed to contain significant oil deposits have not been exploited because of the oil companies' fear of violence or territorial loss.

One of Latin America's greatest needs today is for electrical power. The least efficient methods to produce power are by burning wood and petroleum - the methods most common in Latin America today. For large scale energy production, the most economical source is hydroelectricity. The production of hydroelectricity requires huge capital investment to create dams and power stations on large rivers. Today, Latin America exploits about only 5% of its hydroelectric potential. Leaders in hydroelectric generation include Brazil (92% of its electricity), Peru (33%) and Chile (33%). In these three countries (except for the Itaipu Dam
between Paraguay and Brazil), the hydroelectric plants are located in rivers well within their respective national boundaries. Industrialization and improvements in the standard of living will require the production of large amounts of additional electricity in Latin America. Unfortunately, the contemporary border disputes preclude bi-national projects on the rivers which typically serve as national borders. Due to the capital investment required, the World Bank or other public or private lenders would have to be satisfied that any two countries involved are supportive of the plan, would invest their funds in it and would not engage in confrontations or wars that could delay or threaten the projects. Of the nations involved in the five conflicts analyzed, only Colombia and Venezuela have met the necessary conditions and have embarked on a joint hydroelectric project (at a site well inland from the disputed zones.) Obviously, the potential for bi-national hydroelectric production is much greater.

Economic progress in Latin America is also suppressed by obstacles to trade within the region. In this century, there
have been numerous attempts to form a Latin American equivalent of the "EEC" (European Economic Community); however the conflicts analyzed earlier have seriously hampered the ability of these political-economic organizations to function effectively.

The Central American Common Market (CACM) was organized in 1960 to provide Central American nations with free or preferential trade within that region of Latin America. In 1969, after its war with El Salvador, Honduras withdrew from CACM. The introduction of Communism in Nicaragua in 1979 caused the remaining member nations to seek bilateral trade agreements rather than use the CACM system. At the present time, CACM is still in existence but the intraregional trade which it controls has dropped precipitously since 1980 to only 16% and it has ceased to function as a regional political forum.

In 1980, the nations of Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela formed the Latin American Integration Association (LAIA), which replaced the Latin American Free Trade Association (LAFTA). This new organization (LAIA) has been no more successful than its predecessor. Historical and contemporary resentments, mistrust, and jealousy have caused
member nations to enact taxes and export restrictions which have dampened the Association's early success in intraregional trade and economic cooperation.

A third trade organization is the "Andean Pact," which was formed in 1969 by Peru, Bolivia, Colombia, Ecuador, Venezuela and Chile (which withdrew in 1977 for political reasons). Since Peru's conflict with Ecuador in 1981, the Pact has lost much of its initial effectiveness as countries (particularly Peru and Ecuador) have returned to bilateral trade agreements instead of utilizing the Pact's system.

Another aspect of trade influenced by past conflicts is trade between bordering countries. From economic and common sense standpoints, most trade should be between countries with contiguous borders since transportation costs and border formalities would be minimized. However, this has not occurred in much of Latin America. For example, Honduras' principal trading partner in Central America is Costa Rica, with nearly no trade with El Salvador and very little trade with Nicaragua. Similarly, Peru's principal trading partners in South America are Brazil and Argentina, while Chile is a very minor trade partner and Ecuador enjoys virtually no trade with Peru. The situation is not quite as extreme between
Venezuela and Colombia, but in both cases, their leading trade partners are other countries in South America rather than their neighbors.

The effects of the intraregional disputes include: a) relative stability and a balance of military power, but a reluctance to participate in combined military training exercises, counter-drug operations and counterinsurgency campaigns; b) trade sanctions and restrictions that obstruct the free flow of goods and, thus, increase the cost to transport goods and cause each nation to try to produce all the goods its citizens require rather than allowing intraregional specialization (a more effective and efficient use of resources and manpower as demonstrated by the EEC); c) energy deficient nations which are unable to exploit their hydroelectric potential because the sites needed are in dispute and the task of construction would require binational investment and cooperation; and d) a lack of regional political cooperation despite similar cultural, linguistic, economic, and historical origins.

Only the political resolution of the boundary conflicts by the UN, OAS, or other agreed upon mediators will allow Latin America to progress economically by attaining political-economic cooperation, regional integration and
investment and a reduction in regional expenditure for military purposes.
ENDNOTES


CHAPTER V

RECOMMENDATIONS

INTRODUCTION

The five territorial/border disputes examined in this paper have supposedly been resolved in the past, yet each is open to re-negotiation, discussion and interpretation today. The trend to nullify past agreements was stimulated by economic factors: an increasing population in search of land, a decreasing demand for the traditional products of the region (e.g., coffee), and the discovery of "black gold" (i.e., oil) throughout the region. As noted in previous chapters, these disputes have led to military confrontations, a lack of military cooperation between competing nations, the expenditure of large sums of money for national defense, and a retardation of economic progress due to a failure to utilize border resources and a reluctance to pursue free trade agreements on a regional basis. While the problems are complex and of long duration, some recommendations can be proffered.

CHILE VS. PERU-BOLIVIA

The current dispute between Chile and Peru-Bolivia is
more rooted in history and emotion than in reason.² The nitrate deposits of the Atacama Desert are of only marginal value today, the desert itself is virtually uninhabitable, the region in dispute is relatively distant from the population and industrial centers of Chile, and Bolivia already has access to the Pacific seaport via the Chilean railroad.³ President Garcia of Peru has stated that his country has no objections to Chile giving Bolivia some of its former territory and the recent election of Aylwin as President of Chile suggests that a resolution is possible since Aylwin is not as insistent as General Pinochet that Bolivia cede inland territory in order to regain a Pacific coastline. The best solution would be for Chile to return the small, isolated town of Arica to Peru (to which it is economically and historically tied) and provide Bolivia with a 100 mile coastline which includes the port of Iquique. This proposal would move Chile's border about 120 miles to the south. Chile's loss of the two towns would have minimum impact since both are quite distant from Santiago and the heartland of Chile. By interjecting Bolivia between Chile and Peru, the region gains the added advantage of separating the two major west coast military powers. The first step in this process would be to resume diplomatic relations between Chile.
and Bolivia. It would be hoped that the OAS, rather than Castro of Cuba, would be selected by all parties to mediate this dispute. Since both Peru and Chile will have new leaders in 1990, this issue could be resolved by the mid-1990's.

**PERU VS. ECUADOR**

The territorial dispute between Peru and Ecuador will not be easily resolved due to the recent discovery of oil in the disputed territory. Since Peru occupies the land per the Rio Protocol, has no other known petroleum resources and is militarily superior to Ecuador, it is doubtful that Peru would be willing to cede this territory to Ecuador (a member of OPEC).

The best solution to Ecuador's loss of territory would be for Peru to provide Ecuador with a route to the Amazon River and to utilize Ecuador's experience to jointly develop Peru's oil industry. Peru could yield to Ecuador a corridor to the Amazon River and Brazil along the Peru-Colombia border. This is an underdeveloped, sparsely settled region of little value which is bounded by Colombia on the north and the Napo River on the south and terminates at Leticia (where Brazil, Colombia and Peru meet). The loss to Peru would be
minimal. The solution to the oil field issue is to let Ecuador share in some of the economic benefits while shouldering some of the risks of exploration. Peru could allow Ecuador to invest in oil extraction in Peru and to provide the extraction expertise currently lacking in Peru. The capital investment by Ecuador would allow Peru to begin exploiting this valuable resource. It is also recommended that oil discovered in Peru’s northern sector (the disputed territory) be piped directly west to Guayaquil, Ecuador for export rather than to Lima, Peru. This would obviate the need to construct over 200 miles of pipeline and would allow Ecuador to share in the economic windfall by providing jobs and shipment facilities in Guayaquil. Considering Peru’s lack of capital, the threat imposed by its insurgents, and its low population density, a pipeline to Guayaquil would offer both economic and security advantages to Peru. The first step in resolving this dispute would be to have both countries resume full participation in the Andean Pact, then submit the disputes for OAS mediation. With foreign oil companies now initiating oil exploration projects in the Amazon River basin, a bilateral resolution must be achieved within the next few years if Ecuador and Peru are to jointly exploit and benefit fully from the export of this natural resource.
VENEZUELA VS. COLOMBIA

The land dispute between Venezuela and Colombia appears to have been resolved, but smugglers and illegal immigrants continue to violate the border. Recent efforts by the Presidents of Venezuela and Colombia to focus on civilian transgressions of the border in a cooperative manner should defuse this region, as should the initiation of a joint hydroelectric project on the inland border. The maritime dispute is now before an international commission. Both countries have agreed to abide by its decision. Since Venezuela (a member of OPEC) already has substantial oil deposits, the commission will probably decide to provide Colombia with similar, if lesser, opportunities. It is probable that the commission will award Colombia a portion of the Gulf of Venezuela in which to conduct oil exploration and extraction. The Los Monjes islands, which are of no value, will probably remain under Venezuelan control. Hopefully this solution would produce a cooperative venture utilizing Venezuelan experience in oil extraction and, possibly, could allow Colombia to save considerable money by permitting it to utilize Venezuela’s existing storage and shipment facilities. The latter proposal would reduce Colombia’s capital
investment, would ensure better operational security and would allow Venezuela to share in the economic benefits. Any resolution that permits Colombia to become an oil producing nation would be welcome, since it would provide the economy with an alternative to cocaine and coffee as sources of revenue for the nation. Due to the efforts of Presidents Barco and Perez, this dispute could be settled as early as 1991.

**EL SALVADOR VS. HONDURAS**

The border dispute between Honduras and El Salvador should soon be resolved since the matter is now before the International Court of Justice (The Hague) and both presidents have agreed to abide by the Court's decision. The greater challenge is to create a system to prevent each country's military forces from inadvertently crossing the frontier in rugged terrain when pursuing insurgent elements. Some suggestions include: the exchange of liaison officers (Salvadoran and Honduran) at brigade level in brigades that routinely operate in close proximity to the border; by agreement, rotate responsibility for border searches between the two countries, with the "off duty" units being kept well clear of the border; in the face of heavy insurgent use of the
border region as a sanctuary, conduct well coordinated joint sweeps of the border areas with emphasis on liaison, coordination and cooperation (utilizing a combined headquarters); improve Honduran-UN access screening at border refugee camps (which may also house guerrillas); and, of course, attempt to better mark the boundary in a highly visible manner. The Salvadoran-Honduran border will continue to be a problem because even if the FMLN is diminished, any remnants would probably seek sanctuary in the border region or in the UN sponsored refugee camps in close proximity to the borders. The most important element in successful binational military operations in this region is to keep the participants focused on the major threat, the FMLN and the smaller Honduran insurgent groups, rather than grievances that are now historical in origin and sap the military and financial resources of both countries.

**NICARAGUA VS. HONDURAS**

The dispute between Nicaragua and Honduras is less territorial than ideological. The Honduran government stresses border defense in order to ensure that Communist trained guerrillas and military weaponry are not brought across its border with Nicaragua to assist Honduran
insurgents. With the near demise of the Contras, a pledge from the United States to protect Honduras from Nicaraguan aggression, a promise by President Ortega of Nicaragua to stop supplying Central American insurgents with arms, and the conduct of democratic elections in Nicaragua in February, the situation is optimistic. In addition, the recent deployment of UN observation teams along the border should reduce or eliminate any significant border violations by the three parties involved.

Since both Honduras and Nicaragua have accepted UN observers in the border area, the next step should be to either have both nations agree to abide by the settlement of 1906 or submit the dispute to the UN or OAS for mediation. The result of such mediation would probably delineate borders very similar to the existing boundaries. Since no natural resources of significant value have been discovered in the disputed land areas, no economic benefit would be gained or lost by either party.

The real solution to this dispute is the removal of the hostile Communist government in Nicaragua which threatens the political and economic systems of its neighbors or the
transformation of Nicaragua into a democracy (Socialist or otherwise) which no longer poses a military threat to its neighbors and refrains from the exportation of ideology and military materials that incite violence in neighboring nations. The elections of February 1990 in Nicaragua could lower regional tensions if Ortega permits the democratic process to function and Violeta Charmorro is elected. The threat to Honduras could also be reduced if the "Contras" are demobilized, since recent Nicaraguan incursions into Honduras appear to be aimed toward the destruction of the Contras rather than the seizure of Honduran territory.

ROLE OF THE UNITED STATES

The role of the United States in any of these territorial disputes should be one of support for the mediation process only. The United States should encourage negotiation and mediation without assuming the role of mediator or becoming the guarantor of any resulting treaty or agreement. In previous decades, the United States played a key role in disputes in Latin America, a deed that alienated as many friends as it gained. Since these disputes are historical in origin and generate extreme emotions on both sides, having the United States play a role in their resolution would only
ensure that, whatever decision is reached, the United States would attract the disdain and enmity of a sizeable portion of both countries' populations. This is particularly true since the United States' invasions of Grenada and Panama, which resurrected anti-U.S. feelings in many parts of the region. It would be far better to have the disputes resolved by the International Court of Justice, the OAS or a commission representative of the region.

The Venezuelan-Colombian and Salvadoran-Honduran disputes are currently before international tribunals; the Chilean-Peruvian/Bolivian dispute seems capable of resolution without U.S. assistance; the Honduran-Nicaraguan dispute is partially a product of U.S. intervention, so the best course of action would be to disband the Contras (or fund and fight them to victory - an unlikely event in today's political climate and in view of the Contra's past performance) after the February elections in Nicaragua and let the United Nations (or OAS) resolve the conflict; and the Peruvian-Ecuadoran dispute, which will be difficult to resolve, offers no role for the U.S. as mediator (particularly while President Garcia retains office) and it may be contrary to our best interests to become involved beyond a supporting role.
The most appropriate functions for the United States are to facilitate negotiations, discourage the use of U.S.-supplied military equipment in warfare between neighbors, assist the nations in conducting regional security operations, encourage regional trade integration and provide financial support for regional projects which utilize the nations' natural resources.
ENDNOTES


CHAPTER VI

CONCLUSION

Progress in Latin America requires two elements: regional stability and security that is based on mutual trust rather than the maintenance of large standing armies and a cooperative relationship that encourages cross border trade and the bi-lateral utilization of resources within the border zones. Due to the current climate of distrust and the frequent occurrence of border violations and incidents, much of Latin America's GNP is being utilized by its countries to achieve military parity with their neighbors rather than to industrialize the region and raise the standard of living of its citizens.

In order to progress economically and to better meet the needs of its people, economic cooperation and integration, unencumbered by past and present grievances, are necessary. One of Latin America's greatest resources is its rivers, many of which delineate national boundaries. Only when nations can put aside their differences will they be able to develop their hydroelectric potential. Likewise, restrictions on trade and high tariffs between neighboring countries inevitably lead to
retaliation and the eventual stifling of regional trade. The result is an inefficient attempt by each country to try to produce all the goods needed by its citizens or the importation of goods from more distant countries at exorbitant prices due to high transportation costs.

Despite a history of conflict, the future looks better. The Chaco War, the War of the Pacific and particularly the War of the Triple Alliance taught the nations of South America that total war can produce near destruction of a nation - with no clear winners. The negotiations now underway are a trend in the right direction, as is the tendency to not let border incidents serve to inflame a call for war. It is hoped that the eventual peaceful resolution of these contemporary conflicts will permit Latin American governments to continue to build their democratic institutions, jointly eradicate the drug and insurgency threats, improve economic conditions, increase economic and political integration within the region, and raise the living standards of all their citizens. Regional cooperation is the key to a better future for the people of Latin America.
APPENDIX 1: CONTEMPORARY CONFLICTS WITHIN LATIN AMERICA

1. Dominican Republic vs. Haiti (Economic)
2. Guatemala vs. Belize (Territorial)
3. Honduras vs. El Salvador (Territorial)
4. Honduras vs. Nicaragua (Territorial, Ideological)
5. Venezuela vs. Guyana (Territorial)
6. Venezuela vs. Trinidad-Tobago (Economic)
7. Suriname vs. Guyana (Territorial)
8. Colombia vs. Nicaragua (Territorial)
9. Colombia vs. Venezuela (Territorial, Economic)
10. Bolivia vs. Paraguay (Territorial)
11. Bolivia-Peru vs. Chile (Territorial, Economic)
12. Peru vs. Ecuador (Territorial, Economic)
13. Argentina vs. Chile (Territorial)
14. Argentina vs. Brazil vs. Chile (Territorial)
15. Argentina vs. Brazil (Economic)
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72. "Protesta Honduras ante la OEA y la ONU por la Campana de Desinformacion de Nicaragua sobre la Situacion en la Zona Fronteriza" Diario las Americas (Miami), 11 December 1988, p 6A.


74. "RN Busca Evitar Incidentes con los Sandinistas." Nuevo Herald (Miami), 28 September 1989, p. 1A.


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FIGURE 1: LATIN AMERICA

PRESENT-DAY LATIN AMERICA AND THE CARIBBEAN

[Map showing the location of present-day Latin America and the Caribbean.]

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FIGURE 2: PAST WARS IN LATIN AMERICA

- 'Soccer War', 1969

- War between Chile and the Peru-Bolivian Confederation, 1836-9

- War of the Pacific, 1879-83

- War of the Triple Alliance, 1864-70

- Argentine-Brazilian War, 1825-8

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FIGURE 3: DISPUTED TERRITORIES

[Map showing disputed territories between Peru, Bolivia, and Chile, with labels indicating occupied, returned, and lost territories.]

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FIGURE 5: PERU VS. ECUADOR

CONTESTED ZONE
FIGURE 6: MILITARY FORCES

1. Argentina: 95,000
2. Bolivia: 27,600
3. Chile: 101,000
4. Colombia: 86,300
5. Ecuador: 40,000
6. El Salvador: 54,000
7. Guyana: 7,000
8. Honduras: 18,800
9. Nicaragua: 77,000
10. Peru: 118,000
11. Venezuela: 69,000

NOTE: Regular forces only
1987 data

### FIGURE 7: NATIONAL STATISTICS

<table>
<thead>
<tr>
<th>Country</th>
<th>Area</th>
<th>Density</th>
<th>Income</th>
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<tr>
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<tr>
<td>Peru</td>
<td>496,000</td>
<td>40</td>
<td>1,100</td>
</tr>
<tr>
<td>Venezuela</td>
<td>352,000</td>
<td>49</td>
<td>2,900</td>
</tr>
</tbody>
</table>

NOTES: AREA = SQ MILES

DENSITY = PEOPLE PER SQ MILE

INCOME = $ PER CAPITA

DATA = 1987

**SOURCES:**  
The World Almanac, 1987

FIGURE 8: U.S. MILITARY AID

<table>
<thead>
<tr>
<th>Country</th>
<th>FMS</th>
<th>MAP</th>
<th>IMET</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Bolivia</td>
<td>12,000</td>
<td>0</td>
<td>67</td>
</tr>
<tr>
<td>2. Chile</td>
<td>1,000*</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3. Colombia</td>
<td>10,000</td>
<td>3,000</td>
<td>898</td>
</tr>
<tr>
<td>4. Ecuador</td>
<td>7,000</td>
<td>0</td>
<td>54</td>
</tr>
<tr>
<td>5. El Salvador</td>
<td>109,000</td>
<td>80,000</td>
<td>356</td>
</tr>
<tr>
<td>6. Honduras</td>
<td>38,000</td>
<td>40,000</td>
<td>361</td>
</tr>
<tr>
<td>7. Nicaragua</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>8. Peru</td>
<td>5,000</td>
<td>0</td>
<td>45</td>
</tr>
<tr>
<td>9. Venezuela</td>
<td>64,000</td>
<td>0</td>
<td>79</td>
</tr>
</tbody>
</table>

NOTES:  
FMS = Foreign Military Sales (thousands of dollars)  
MAP = Military Assistance Program (thousands of dollars)  
IMET = International Military Education & Training (no. of students)  
*Chile - No FMS grants, sales only.