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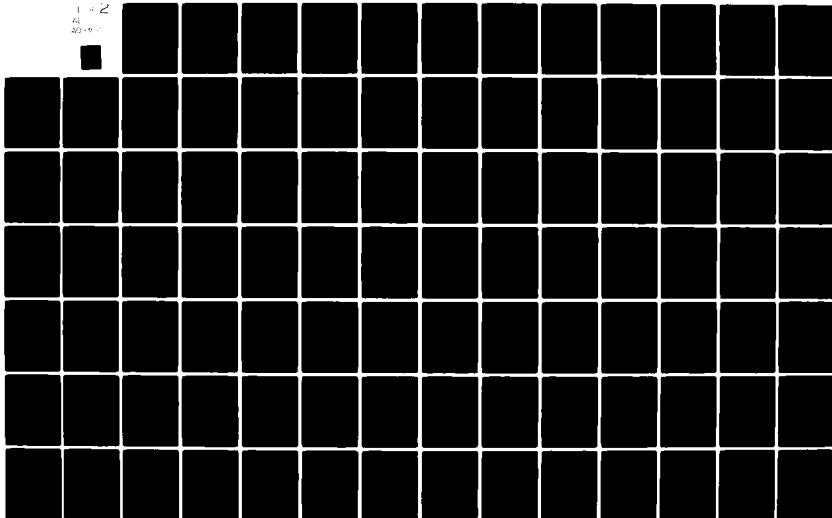
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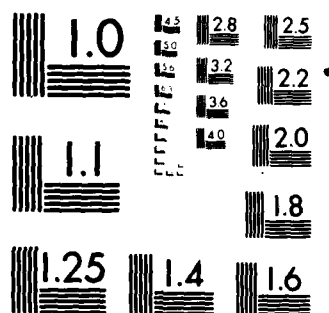
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LEGACY OF THE WAR OF THE PACIFIC,

by

William L./Krieg

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LEGACY OF THE WAR OF THE PACIFIC

Preface

A geological fault runs along the west coasts of North and South America, making this region especially subject to earthquakes, recent examples being the Chilean earthquakes of 1960 and the destruction of the Huaylas valley towns of Peru in 1969. In spite of years of study, seismologists are unable to predict earthquakes, though the regions in which they are likely to occur are well known.

In addition to geological faults, there are also geopolitical faults in this region which make it especially subject to political temblors, some of great intensity. These occurrences, like geological quakes, cannot be predicted accurately; but there are historical precedents which mark it as an area especially prone to disturbances.

A major upheaval on this geopolitical fault line was the War of the Pacific (1879-1883) which exercised a predominant influence on the course of South American diplomacy for nearly half a century and which left behind it a legacy of hatred and suspicion in relations among Peru, Bolivia, and Chile. As a result of that war Bolivia and Peru lost to Chile strategically important territories rich in nitrates and copper.

The 1973 change of government in Chile and the acquisition by Peru of substantial amounts of high-performance armaments have resulted in increasing signs of stress in Chilean-Peruvian relations at a time when the centenary of the War of the Pacific will soon be at hand and emphasis on historical and patriotic themes may be expected to stimulate Chilean pride and Peruvian desire for revenge. In any controversy between

Peru and Chile, Bolivia's role must also be considered. In the War of the Pacific, Bolivia lost its coastal province and became a landlocked country, but Bolivia has never surrendered the aspiration to obtain a port under its own sovereignty on the Pacific. Its attention has focused primarily on Arica, the port nearest La Paz and the most populated portion of the country. Although Bolivia's military strength is not comparable to that of Peru or Chile, internal political pressures might cause Bolivia to take action designed to further its desire for its own outlet on the Pacific.

The United States has been involved in west coast affairs since it attempted in 1880 to halt the war and avoid forced transfers of territory. Presidents Harding, Coolidge and Hoover acted as arbiters in an abortive effort to settle the Tacna-Arica question, which was the most sensitive element in the South American balance of power for 45 years. Referring to this dispute Secretary Kellogg said, "No problem that arose during my term of office was found to be so difficult and a subject of such bitter controversy as the dispute which arose over this almost worthless land."

There are two ways in which the United States could again become involved in this affair:

- The 1929 treaty between Chile and Peru which finally settled the Tacna-Arica problem provides that in case the parties cannot agree on the interpretation of any of the treaty's clauses, "the dispute shall be settled by the President of the United States of America." While a request by both parties for a decision under this article seems unlikely, if received it could place the United States in the position of having to decide between two

countries with both of which the US Government desires to maintain good relations.

- Involvement would more likely come about if one or the other party referred to the OAS a controversy which might threaten the peace of America. In this case the United States would share with the other OAS members the onus of reaching or not reaching decisions.

As regards Bolivia's desire for a Pacific port, the US Government has unsuccessfully endeavored from time to time to find a solution to this problem. On November 30, 1926, Secretary Kellogg formally proposed the cession of both Tacna and Arica to Bolivia and their permanent neutralization. This proposal was rejected. In 1951 President Truman publicly suggested that Chile provide Bolivia a port in return for the use of the waters of Lake Titicaca for power and irrigation.

→ This paper reviews the role of Tacna-Arica and the Bolivian push for a port in the light of the relationships between the three powers directly involved and between them and the rest of the Americas. Prior to the 1929 treaty, these relationships and interactions were highly complex. Chile's willingness to reach a settlement with Bolivia and Peru was in direct ratio to the severity of its boundary problems with Argentina; Argentina's vigor in pressing the dispute with Chile was related to the state of its relations with Brazil; Bolivia's ability to resist Chilean pressure for the cession of her coastal province was influenced by her boundary problems with Argentina and Brazil; Peru's attention was briefly distracted from Tacna and Arica by border disputes

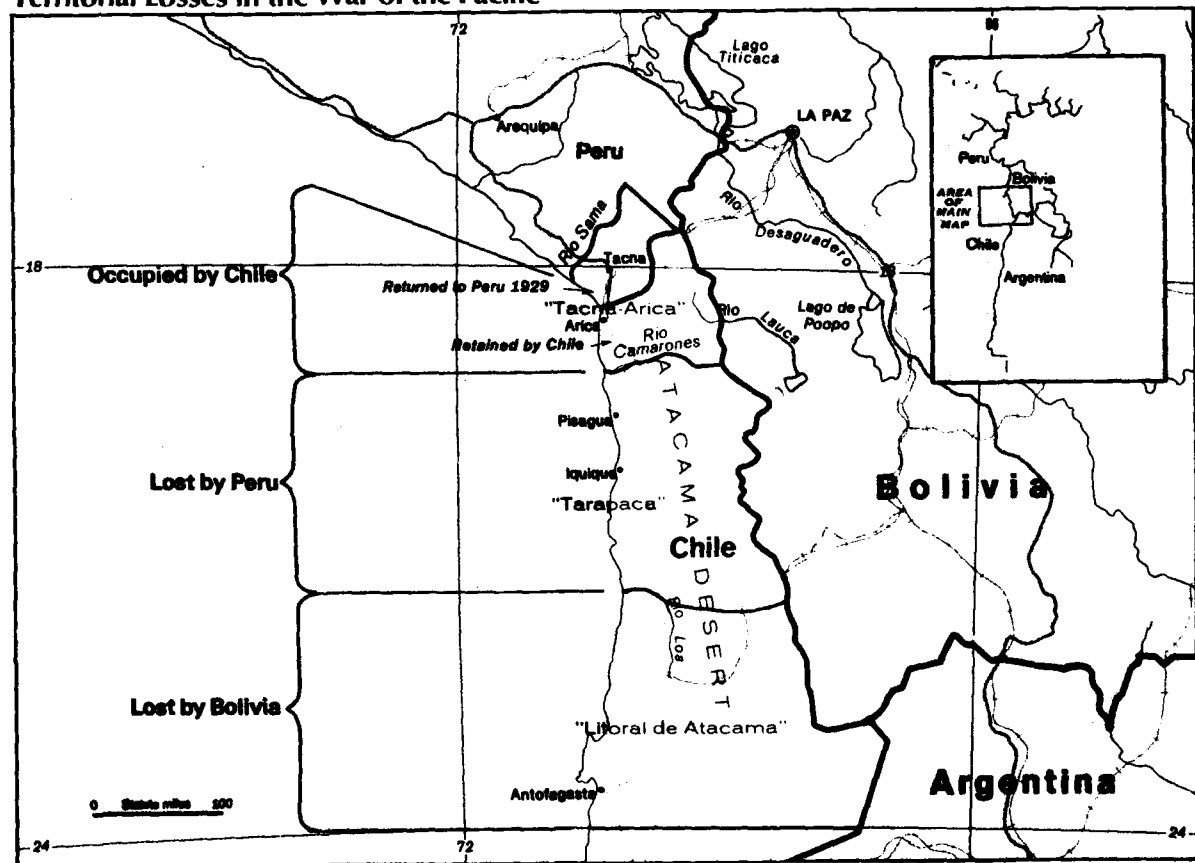
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with Ecuador and Colombia. The United States and all of independent South America had a part in the action. Moreover, the Tacna-Arica and Bolivian port cases were among the first submitted to the League of Nations, and Bolivia hauled Chile before the OAS in 1962 as the result of a dispute over water rights vaguely related to the port question. This resulted in a suspension of diplomatic relations which endures to this day.

The development of adequate policies to meet future contingencies would be handicapped without a knowledge of the factors which have contributed to the development of the existing situation. It is hoped this paper may serve as a modest aid in this task.

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Territorial Losses in the War of the Pacific



LEGACY OF THE WAR OF THE PACIFIC

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Chapter I

War and Peace

United States interest in the War of the Pacific, which commenced with the Chilean occupation of the Bolivian port of Antofagasta in February 1879, was at first so slight as to be negligible. In response to notification of Chile's declaration of war against Peru, the Acting Secretary of State, Mr. F. W. Seward, simply indicated regret and said news of an early peace would be most welcome to the US government. As late as October 1879 the Department of State rebuked its Minister in Bolivia, Newton D. Pettis, for undertaking an unauthorized trip to Peru and Chile to explore the possibilities of ending the conflict and stated, [this government] "is not disposed to dictate a peace or to take any steps looking to arbitration or intervention in disparagement of belligerent rights, or even to urge the conditions under which it may be reached. Its good offices have not been tendered, but if sought on a practicable basis of arbitration submitted by the several parties to the struggle, the President would not hesitate to use them in the interest of peace."

The American Minister in Santiago, Thomas A. Osborn, with admirable equanimity, wrote to his colleague in Peru, J. P. Christiancy, who was urging mediation, "I have endeavored to keep in mind the fact that the conflict is one in which we are quite remotely, if at all, concerned, and the policy which has governed the United States would scarcely warrant her agents in meddling obtrusively in it."

This "hands-off" attitude is not surprising when the distance of the United States from the scene of action and our total lack of economic interests in the area are considered. British, French, Italian and Dutch nationals--principally the first two--were heavily involved in the exploitation of guano and nitrates, and Peruvian nationalization of foreign interests had resulted in the creation of a substantial group of dispossessed Britishers in Valparaiso eager for revenge against Peru.

There was, however, one factor capable of energizing the State Department into action, and that was the fear of European intervention in the struggle as a result of these financial interests. As early as April 24, 1879 Great Britain unilaterally offered mediation, which was rejected by Peru, and on June 14 Lord Salisbury proposed that Britain, Germany and the US should jointly offer to mediate, but Secretary of State William M. Evarts replied that he would not favor a premature offer or a combination with other powers which could carry an impression of coercion. While clearly preferring no action at this point, Evarts evidently considered that European involvement would be contrary to the Monroe Doctrine.

Early in 1880, Evarts became increasingly concerned about the possibility of forcible European intervention in violation of the Monroe Doctrine. Chile's advance through the Peruvian province of Tarapacá had caused considerable damage to foreign property. Peru was deeply in debt with repayment dependent on the revenues from Tarapacá nitrates, and the bondholders became alarmed when Chile began to exploit the nitrates for its own account. Gladstone revived Salisbury's idea of British-German-US

mediation, which was rejected by Bismarck; however, in March 1880 the British statesman again communicated with Evarts on this subject. In view of these renewed evidences of European interest, Evarts considered it desirable to modify his policy: he instructed the US Ministers in Santiago, La Paz and Lima on March 9, 1880 that, "should pressure of foreign governments upon the combatants tend to assume a coercive character, your attitude should be such as to facilitate a joint and friendly resort to the good offices of the United States."

Like many a diplomat since, Minister Osborn sensed which way the wind was blowing in Washington and wrote to Christiancy that, although he saw no indication in Santiago of foreign intervention, he thought it advisable to start planning for a meeting of plenipotentiaries of the three belligerents, preferably abroad a US vessel on the West Coast. This was the origin of the Arica Conference, held on board the U.S.S. Lackawanna beginning on October 22, 1880. This major effort of US diplomacy was a total failure:

- Evarts had issued no instructions to the Ministers despite a request for them; the American diplomats were forced to play by ear and, moreover, each was partial to the country to which he was accredited.
- The Ministers were too far from each other and too far from Washington to be able to coordinate their activities adequately. The mail was so slow, especially to La Paz, that communications were frequently overtaken by events. Secretary Evarts discouraged the use of the cable except for the most urgent

and succinct messages--perhaps because a 10-word message from Arica to Washington cost \$166.

- The military situation was the determining factor: Chile had captured Tacna and Arica as well as Tarapacá and was preparing to dictate terms of peace in Lima. Given her virtually unbroken string of victories, Chile was in no mood to compromise; the popular slogan of the day was "On to Lima."

Lack of coordination among the US Ministers resulted in the three belligerents attending under very different expectations as to the role the United States was willing to play. The Peruvians and Bolivians expected that the United States would arbitrate the issues unsolved by the belligerents, using force if necessary to insure acceptance. The Chileans, on the contrary, attended with the written understanding that only "good offices" were involved and were probably motivated to participate by a desire to stall off possible European intervention and to retain US good will.

At the first meeting the Chileans presented their conditions of peace: the cession by Peru of Tarapacá and by Bolivia of its coastal province, the payment by Peru of a large indemnity, and the occupation by Chilean troops of Tacna, Arica and Moquegua until the indemnity was paid. The Peruvians announced they could not yield one inch of territory and, seconded by the Bolivians, suggested arbitration by the United States; to their surprise and shock Osborn replied that the United States did not seek the role of arbiter; the Chileans of course declined arbitration and the conference collapsed.

So Tacna and Arica made their appearance on the international stage, on which they were to hold a prominent place for nearly half a century. And they were already the subjects of some backstage maneuvering: before and during the Arica Conference, one of the Chilean delegates, Eusebio Lillo, secretly offered the Bolivians, in return for their coastal province, the Peruvian provinces of Tacna and Moquegua together with free entry at all the ports from Antofagasta north. The Bolivians, perhaps because they were misled by expectation of US compulsory arbitration, refused on the ground that it would be dishonorable to make a deal at the expense of their Peruvian ally.

On January 16, 1881 the Chilean army occupied Lima, bringing to an end another phase of the war. A few scattered bands of Peruvians kept up the fight in the mountains while their leaders disputed the headship of the defeated, disorganized nation. Shortly thereafter James A. Garfield was inaugurated President of the United States and named as his Secretary of State James G. Blaine, one of the leading Republican politicians of the period who had narrowly missed the presidential nomination in 1876. Blaine had virtually no experience in foreign affairs, but his quick and imaginative mind plus his ambition to enhance his own political image caused him to play an extremely active role during his relatively brief tenure.

Blaine's principal foreign policy objective was, as he stated it, "First to bring about peace and prevent future wars in North and South America...." Clearly, therefore, the termination of the War of the Pacific was high on his agenda. His view of the war was different from Evart's

cautious neutrality--almost disinterest. He believed that Chile was acting as a catspaw for British nitrate interests and hence tended to side more definitely with Peru. General Judson Kilpatrick, his Minister in Santiago, was instructed to urge the Chileans to support the restoration of constitutional government in Peru and postpone any discussion of territorial annexations until there was a Peruvian government able to negotiate freely. Blaine opposed the idea of territorial conquest and thought such cessions permissible only if the defeated nation were first given an opportunity to pay a substantial indemnity and was unable to do so. Unfortunately, General Kilpatrick was ill upon arrival in Santiago and died there on December 2, 1881.

The new envoy in Lima, General Stephen A. Hurlbut, was even less skillful than his brash predecessor and involved the prestige of the United States in violent disputes with the Chilean occupation authorities and such dubious schemes as acquiring the port of Chimbote as a US coaling station. He too died at his post in 1882. The unfortunate result of Christiancy's and Hurlbut's strong opposition to territorial cessions was to encourage the Peruvians to believe that the United States could in some way force Chile to abandon its claims to Tarapacá, Tacna and Arica; the Peruvians consequently refused to sign a peace agreement and thus needlessly prolonged the war since their military situation was hopeless. On the other hand, General Kilpatrick had assured the Chilean government the United States would not intervene, so the Chileans had no incentive to abate their demands. Imprecise instructions, lack of adequate rapid communications and the illness and ineptitude of the US diplomatic

representatives not only tended to retard the achievement of peace but also aroused antipathy against the United States, especially in Chile but also in Peru, which felt betrayed. The degree of Peruvian disillusionment may be judged from the statement of Acting President Lisardo Montero to the Congress at Arequipa on April 22, 1883: "After more than a year of inefficacious negotiations,...we have reached the sad conviction that the American Government can do nothing more than it has already done for Peru and Bolivia.... You may measure the amount of gratitude we owe to the American Government for its interference on our behalf."

Frustrated in his desire to bring the war to an end through regular diplomatic channels and fearing that Chile meant to annex Peru entirely, Blaine decided to send a special envoy to the belligerent states and for this purpose selected an experienced diplomat, William Henry Trescot of South Carolina. His instructions to Trescot, dated December 1, 1881 showed that Blaine was willing to go to considerable lengths to pressure Chile into a settlement not based on the right of conquest and that he failed to take sufficiently into account the strength of Chile's military position or its advantageous financial situation resulting from the sale of Tarapacá nitrates. Trescot was to endeavor to:

- work out with the Chilean authorities plans for the establishment of a regular government in Peru and for the initiation of negotiations;
- advise Chile to commence negotiations without demanding the cession of territory as a condition precedent; and

-- impress on Chile that Peru should be given a fair opportunity to provide a reasonable indemnity before being required to give up territory.

In addition to his special envoy, Blaine had another plan for bringing pressure on Chile: on November 29, 1881 he issued an invitation to all the American Republics to attend a conference in Washington one year later for the sole purpose of discussing means of preventing war between the nations of America. The invitation stressed that the solution of current problems was not to be discussed, but Blaine's instructions to Trescot seemed to envisage the possibility of multilateral pressure:

The United States...cannot regard with unconcern the destruction of Peruvian nationality. If our good offices are rejected, and this policy of the absorption of an independent state be persisted in, this government will consider itself discharged from any further obligation to be influenced in its action by the position which Chile has assumed, and will hold itself free to appeal to the other republics of this continent to join it in an effort to avert consequences which cannot be confined to Chile and Peru, but which threaten with extremest danger the political institutions, the peaceful progress and the liberal civilization of America.

How far Blaine might have gone in pressuring Chile will never be known since he resigned as Secretary of State on December 18, 1881 and was succeeded by Frederick T. Frelinghuysen, a conservative Republican who did not share Blaine's taste for brinksmanship in relations with Chile nor his interest in developing a Pan American peace system. Shortly after assuming office, Frelinghuysen modified the instructions to Trescot, who was already enroute to Chile; unfortunately, the most important message was cabled to Panama and forwarded down the West Coast by mail; hence it did not arrive

until after Trescot had called on Balmaceda, the Chilean Foreign Minister, to extend the invitation to the proposed inter-American congress. Meanwhile, in Washington, the whole correspondence had been transmitted to Congress and published in the press. The alert Chilean charge d'affaires had immediately cabled the gist of Trescot's modified instructions to Santiago.

Trescot's interview with Balmaceda on January 31, 1882 must have been one of the most embarrassing ever experienced by an American diplomat: before the invitation could be delivered, Balmaceda informed Trescot that the US Government had suspended plans for the congress and added that Trescot's own instructions had been altered. Trescot withdrew with such dignity as he could muster and sat back to await the new instructions.

Basically, Secretary Frelinghuysen and President Arthur were disinclined to become involved in the Chilean-Peruvian negotiations, complicated by pressures and publicity generated by rival groups of nitrate concessionaires and the suspicion of improper deals. Trescot was instructed to be impartial but not to support the Chilean demand for the cession of Tarapacá. Since the Chileans insisted on agreement on this point before beginning negotiations and the Peruvians still refused, Trescot could accomplish nothing. Returning to Washington, he concluded his mission with this sound advice:

If the United States intend to intervene effectively to prevent the disintegration of Peru, the time has come when that intention should be avowed. If it does not, still more urgent is the necessity that Chile and Peru should understand exactly where the action of the United States ends. I trust you will not deem that I am going beyond [my] duty in impressing upon the government that the present position of the United States is an embarrassment to all the belligerents and should be terminated as promptly as possible.

Frelinghuysen endeavored to avoid the repeated pratfalls of American diplomacy on the West Coast of South America by appointing experienced Latin American hands as Ministers: Cornelius A. Logan to Santiago and James Partridge to Lima. Despite specific instructions to "have a complete understanding with one another" and to "act in complete harmony", both became partisans of the country to which they were accredited, worked at cross purposes and generally confused the situation. Partridge so far forgot the Monroe Doctrine as to take the initiative in issuing with the British, French and Italian Ministers at Lima in January 1883 a declaration calling for a cessation of hostilities and, if necessary, joint intervention. When news of this indiscretion reached Washington Partridge was promptly recalled and about a year later committed suicide.

As the Peruvians came to realize that Chile would never surrender mineral-rich Tarapacá--which in any case had relatively few Peruvian inhabitants--the principal obstacle to the conclusion of peace became the Chilean demand for the cession of the provinces of Tacna and Arica. At one point in the negotiations, Logan in Chile proposed that Chile keep Arica and Peru retain Tacna, but this idea was 46 years before its time and was rejected by both parties. Partridge in Lima, on the other hand, proposed to the Chilean civil representative there, Novoa, that both provinces be transferred to Bolivia, with equal lack of success. In June 1883, a rump Peruvian Congress at Arequipa reportedly ratified an agreement between Acting President Montero and Bolivian President Campero agreeing to cede Tacna and Arica to Bolivia provided Bolivia would continue her

military support of Peru until the war was ended. The objective was to head off separate Bolivian negotiations with Chile, and the objective was briefly achieved, but the Montero regime soon vanished without trace and another government reached a peace agreement with the victorious Chileans.

A peace treaty was finally concluded with no assistance from the United States. Having failed to wear down the resistance of one provisional government although its president was a captive in Chile, the Chileans swung their full support--military and political--behind General Miguel Iglesias, who was backed by the commercial interests in Lima who wanted peace at any price. As early as May 12, 1883 agreement was reached on the peace terms, but it was not until October 20 that the Iglesias government achieved sufficient control of the country to give his signature of the peace treaty moral force.

The treaty of Ancón effected the "perpetual and unconditional" cession of Tarapacá to Chile, but the Chileans showed unexpected flexibility in agreeing to a Peruvian proposal that Chile should administer Tacna and Arica for ten years after which their ownership should be decided by popular vote, the winner paying the loser the equivalent of ten million Chilean pesos. A special agreement to be concluded later was to prescribe the manner for carrying out the plebiscite and the terms for paying the indemnity. In authorizing the Chilean representative to make this compromise President Santa Maria said the plebiscite was a Chilean idea which had been proposed to the previous provisional government and rejected.

It was soon to become apparent, however, that the two signatories had quite different ideas as to the real intent of this article. The Peruvians regarded the willingness of Chile to abide by the results of a plebiscite as opening a genuine possibility for Peruvian recovery of the provinces: they could be regarded as hostages for Peruvian good behavior for the ten years after the treaty was ratified. The Chilean authorities, however, had a quite different concept. President Santa Maria agreed to the provision for the payment of 10,000,000 pesos to the loser on the grounds that the arrangement was, in fact, a disguised sale of the provinces to Chile and that the plebiscite was a device for avoiding the objections which would be raised to a direct sale. He said when asked for instructions about the payment, "If the plebiscite is no more than a subterfuge [rodeo], an invention to disguise the sale, there is no reason why the payment of the quantity offered should be rejected, since it is certain that a plebiscite held within ten years is going to give Chile the region under dispute today." The President is also reported to have said, "It is evident that after an occupation of ten or fifteen years there would scarcely be anything in Tacna that would not be Chilean. The plebiscite would hardly be necessary; the verdict would already be written in plain characters."

The motivation of the Chilean President in authorizing the plebiscite-payment compromise is not difficult to guess: the negotiations were going on in April 1883 at a time when the Iglesias government was extremely weak, controlled but a small portion of the national territory and still faced armed resistance which in the end had to be subdued by the Chilean

forces. The sale of territory on top of the cession of Tarapacá would damage Iglesias' prestige and standing and weaken the already fragile reed on which Chile was depending for a peace settlement. Perhaps, too, the device was a bow in the direction of world public opinion which was, as Blaine had forcefully pointed out, opposed to the transfer of territory by the right of conquest.

What is unclear is how Santa Maria could assume that after ten or fifteen years the plebiscite would be a mere formality. There is no evidence that he intended to deport the Peruvian population en masse and move in Chileans. The effort to Chileanize the provinces did not begin until several years later. Perhaps he simply believed that no one would want to be a Peruvian if he could possibly become a Chilean. In any case, he badly underestimated the dogged Peruvian patriotism of the Tacneños who maintained their loyalty for generations and stubbornly resisted Chilean force and blandishments alike.

Despite the failure to achieve a meeting of the minds on the real purpose of and the procedures for carrying out the plebiscite, the treaty of Ancón was ratified by both parties and went into force on March 28, 1884. Controversy over the fate of Tacna and Arica was destined to fill the diplomatic annals of South America for years to come and to be one of the most durable international problems of the period.

Summary

United States diplomatic involvement in the War of the Pacific came about through a fear of forcible intervention by European powers to protect the financial interests of their nationals in the area with consequent violation of the Monroe Doctrine and loss of prestige by the United States. The involvement was intensified because of Blaine's genuine desire for peace and his interest in developing a Pan American peace-keeping system coupled with his less laudable desire to enhance his image in furtherance of domestic political ambitions. These efforts failed to bring about peace because Chile was militarily able to impose her own terms and had no real fear of European intervention. The ineptitude with which the mediatory efforts were carried out lowered the prestige of the United States and resulted in strained relations with Chile over a considerable period. The failure of the treaty of Ancón to settle definitely the status of Tacna and Arica created a diplomatic problem which was to plague the American Foreign Ministers for nearly half a century and have a retarding effect on the development of an inter-American system.*

* Some confusion may arise from the fact that the names "Tacna" and "Arica" are applied both to cities and to the areas of which the cities are seats of government. In Peru the lower governmental units are called "provinces" and the higher units, which may be composed of several provinces, are called "departments"; in Chile, the nomenclature is reversed: the lower units are called "departments" and the higher "provinces." Arica is now the northernmost department of the province of Tarapacá, while Tacna is the southernmost province of the Peruvian department of Tacna. In this paper the unqualified names "Tacna" and "Arica" will normally refer to the area unless the city or port is specified, and the term "provinces" will generally be used for them collectively.

Chapter II

Chilean Policy and the Balance of Power in South America

The emergence at the end of the War of the Pacific of a new Chile, geographically enlarged and endowed with a substantial income from its newly acquired nitrate deposits, was an event of prime importance to the world of South American diplomacy. Chile had militarily crushed Bolivia and Peru, which had nearly double Chile's population. Although the army was largely demobilized at war's end, the people were aggressively self-confident and the government possessed resources for maintaining a strong military establishment including a formidable navy.

Chile's geographical location at the south-western end of the South American continent proved advantageous since, so long as Peru and Bolivia remained weak and disorganized, no combination of other states could be formed to check Chile's ambitions or threaten its security. With the former allies out of the picture, Argentina was the only country having a common boundary with Chile, and it was therefore to be expected that Argentina would feel itself most menaced by the self-assertive power of the new Chile. At the beginning of the war Peru had made strenuous efforts to bring Argentina in on its side, and to avoid such a contingency, Chile had had to accept a treaty surrendering its claim to Patagonia and recognizing the Andes as the boundary between itself and its neighbor to the east. Nevertheless, the language of the treaty proved so vague as to be capable of widely varying interpretations, and Chile came to fear that Argentina was seeking an outlet on the Pacific, while Argentina suspected that Chilean claims to territory east of the Andes would be revived.

Despite Chile's wealth and demonstrated military capacity, the power relationship between Argentina and Chile was gradually shifting in favor of the former. Until about 1880 Chile had been the more populous of the two, but the achievement of orderly government in Argentina and its open-door immigration policy resulted in its overtaking its rival, and each succeeding decade saw the gap widening. Chile's land mass was simply too small and its arable regions too limited to support as great a population as its larger, more fertile neighbor. As refrigeration made meat shipments to Europe possible and profitable, it began to appear that Argentina's rich soil was an effective counterweight to Chile's non-renewable mineral resources.

Argentina, of course, did not have a free hand in dealing with Chile. On its northeastern flank lay the giant empire of Brazil, on which Argentina felt required to keep a watchful eye. Actual territorial disputes between them were limited to the relatively small and comparatively unimportant area of Misiones, but rivalry was usually acute between Argentina and Brazil for influence in Bolivia, Uruguay and Paraguay as well as in the intangible area called "prestige." Their enmity with Argentina tended to draw Brazil and Chile together; indeed, during the war, the steady support of the Empire for Chile was a major factor discouraging unwanted mediation by non-belligerent powers. Consequently, when relations between Argentina and Brazil were tense, Chile could move more freely, while in those few instances of Argentine-Brazilian rapprochement, as immediately after the establishment of a republic in Brazil in 1890, Chile's rulers had to move cautiously.

In the first decade after the war Peru had no weight in the balance of power; it was politically disorganized, financially bankrupt and militarily impotent. However, after 1894 as agitation for the recovery of Tacna and Arica grew, the possibility of an Argentine-Peruvian alliance against Chile again became real and dangerous. This was especially true in the period 1889-1899 when Chile's boundary dispute with Argentina sometimes was so acute as to cause a war scare. Chile therefore adopted the policy of supporting Ecuador and Colombia as well as Brazil in their boundary disputes with Peru. When at times Peru became involved in disputes with its northern neighbors, this of course weakened its ability to bring pressure on Chile over Tacna and Arica.

Chile and Bolivia

Because of Bolivia's strategic location between Peru and Argentina, its international policies assumed great importance for Chile, despite its military weakness. United with Argentina and Peru against Chile it provided if nothing else a land connection between Chile's two great rivals. Chile's sensitivity to Bolivia's alliances was demonstrated in 1837 when Chile went to war to prevent a confederation of Bolivia and Peru under Andrés Santa Cruz. If, despite its defeat in the Pacific War and the loss of its coastal province, Bolivia could be placated and converted into a friend of Chile and a foe of Peru, Chile's position would be greatly improved. The key to Bolivian friendship was seen to lie in the provision of a port on the Pacific to replace Antofagasta and Cobija, now firmly in Chilean hands.

In fact, the problem of a port for Bolivia did not originate in the Chilean seizure of the coastal province. Though this latter had in colonial times been attached to upper Peru, which later became Bolivia, it had remained virtually isolated since it was separated from the plateau by the great, trackless Atacama desert. As population increased in the La Paz area, the town of Arica was founded in the 18th century to serve as the port for this region. When Bolivia first became independent under Bolívar and Sucre in 1825, the latter proposed that Arica be included in the new state. However, this would have cut Peru off from direct land connection with its province of Tarapacá, so the idea was not approved. In 1826 the inhabitants of Tacna petitioned for inclusion in Bolivia and in the same year a Peruvian envoy signed a treaty with the Bolivian authorities ceding Tacna, Arica and Tarapacá to Bolivia, but this giveaway was disavowed by Santa Cruz, then serving briefly as President of the Governing Council of Peru.

Although as President of Bolivia Santa Cruz later made serious efforts to develop a port at Cobija in the Bolivian littoral, the area was so isolated that even after the discovery of nitrates few Bolivians found their way there. A Frenchman who visited the area in the 1870's wrote that of every 20 inhabitants, 17 were Chilean, one was an Englishman, one a Peruvian and one a Bolivian colonel. The Englishman managed, the Chileans did the manual labor and the Bolivian colonel governed. The situation was such that in February 1879 Chilean forces occupied Antofagasta, which had been developed as a nitrate port, without resistance and by nightfall the place was decked out in the Chilean colors.*

* A census in 1878 showed Antofagasta to have a population of 8,507, of whom 6,554 were Chilean and 1,226 Bolivian.

As Chilean forces completed the occupation of Peruvian Tarapacá, they reached the limits of Chile's then-aspirations for territorial aggrandizement. But once in motion, the military machine could not be stopped. The Chilean army found itself at the end of an enormously long supply line in an area which could not even supply drinking water for the troops. Furthermore, Peruvian and Bolivian forces were massing at Tacna for a possible counter-offensive. The primary reason for the occupation of Tacna and Arica was therefore military, and this would remain an essential consideration during the war. But what was to be done with them after the war?

It will be recalled that Chile's first statement of war aims was made at the Arica Conference with Peruvian and Bolivian representatives on board the U.S.S. Lackawanna in October 1880. At that time Chile proposed to occupy Tacna, Arica and Moquegua as security for the payment of a large indemnity by Peru; it is evident, however, that the Chileans had grave doubts about Peru's ability to pay the indemnity and that they contemplated the possibility of an indefinite occupation of the economically poor, but strategically located provinces. It was in this context that Lillo secretly proposed to the Bolivians that they make a separate peace with Chile and receive Tacna and Moquegua in return for the coastal province. Although this offer was refused, Chilean diplomacy continued to use the idea of providing Bolivia with better port facilities at the expense of Peru as an inducement to procure Bolivia's withdrawal from the war. One school of thought in Chile considered that Bolivia's possession of

territory separating Peru from Chile would constitute a guarantee of peace, but others believed that because of Bolivia's weakness, Chile would have to maintain larger forces in the area to keep the Peruvians from recapturing the lost provinces and that they would be a constant source of trouble under Bolivian control. In 1879, soon-to-be President Domingo Santa Maria expressed the view that "we must perforce give Bolivia an air hole, a door onto the street; otherwise, we will suffocate her...."

Both Santa Maria and Joaquín Novoa, the Chilean civil commissioner who negotiated the Treaty of Ancón with the representatives of General Iglesias, pursued the policy of converting Bolivia into a friend and ally by providing it a port, and their insistence in retaining control of Tacna and Arica was at least in part so that these provinces might be ceded to Bolivia at a later date. This intention was affirmed by Foreign Minister Luis Aldunate when presenting the Treaty of Ancón for approval to the Chilean Congress. However, this objective was frustrated by the treaty provisions stating that the eventual sovereignty over Tacna and Arica should be decided by a plebiscite after a lapse of ten years. This meant that Chile's title to the provinces and its right to dispose of them were highly contingent and caused the Bolivians to question Chilean sincerity in discussing the port problem.

Once peace was signed with Peru, the Chilean Foreign Ministry turned its attention to Bolivia. Arequipa was captured by Chilean forces, the Montero regime which had offered Arica to Bolivia fell, and Bolivian commerce with the outside world via Mollendo was blocked. Chilean armies were poised for the invasion of the Altiplano; peace became an urgent necessity to which the Bolivian government could no longer close its eyes.

Given the inability of Chile to convey to Bolivia title to Arica and Tacna and given the urgent insistence of the Bolivian negotiators that Bolivia required a port, it was decided to conclude an interim settlement which would serve as a peace treaty until the port situation could be cleared up. This was the origin of the Truce Pact or Truce Agreement signed in Valparaiso April 4, 1884. A treaty in all but name, its principal provisions were:

1. The truce was of indefinite duration and the state of war was terminated.
2. For the duration of the truce Chile would govern Bolivia's former coastal province.
3. Bolivia would reimburse Chilean citizens who had suffered losses in Bolivia during the war.
4. Bolivian and Chilean produce and manufactures would be permitted free entry into the territory of the other.
5. Merchandise bound for Bolivia could enter duty free at Antofagasta but goods entering at Arica would pay full Chilean duties of which 25 percent would go to defray the expenses of the custom house. Of the remaining 75 percent, Chile could withhold 40 percent until all claims of Chilean citizens against Bolivia had been settled. The balance would be for Bolivia. After all indemnities had been paid, goods could transit Arica duty free.

The truce, which was to remain in force until an opportunity should arise for concluding a definitive treaty of peace, was destined to govern relations between the two signatories until 1904--a period of 20 years. In the interim, several abortive efforts were made to reach an agreement on peace terms, of which the most important were the treaties of 1895.

The last decade of the 19th century was a period of stress for Chile. After its own revolution of 1891, Chile found itself engaged in ever more tense negotiations with Argentina over boundary questions. To safeguard its northeast flank, Chile was prepared to view more sympathetically Bolivia's aspirations for a port. On May 18, 1895 a package of agreements was signed designed to settle all outstanding problems; of these, the key document was the Treaty of Transfer of Territory. Since this agreement provides a basis for the Bolivian assertion that Chile has recognized its right to have a port on the Pacific, pertinent portions are quoted in informal translation:

(Preamble) The Republics of Chile and Bolivia...conscious that a superior necessity--the future development and commercial prosperity of Bolivia--requires that she have free and natural access to the sea, have agreed to sign a special treaty regarding the transfer of territory....

Article I. If as a result of the plebiscite to be held in accord with the Treaty of Ancón, or as a result of a direct settlement, the Republic of Chile should acquire permanent sovereignty over the territories of Tacna and Arica, Chile agrees to transfer them to the Republic of Bolivia in the same form in which she acquires them....

xxx

Article IV. If the Republic of Chile does not obtain by means of the plebiscite or by direct settlement the definite sovereignty over the zone in which are found the cities of Tacna, and Arica, Chile agrees to cede to Bolivia the Bay of Vitor to the Camarones ravine or a similar one and, in addition, the sum of five million pesos....

The extent of the concessions in this document indicates the insecurity felt in Chile regarding its international position, and the lengths to which it was willing to go to placate Bolivia. The recognition of a port as "a superior necessity" for Bolivia's development was also an admission of which Bolivia later made good use. The Bay of Vitor, referred to as the fall-back position in case Peru should regain Tacna and Arica, was a small indentation in the coast a few miles south of Arica and just north of the Camarones River, the northern limit of the old Peruvian province of Tarapacá. It does not appear to have been ascertained whether a satisfactory port could have been constructed there; the five million pesos were designed to cover the construction costs.

The Treaty of Transfer of Territory was ratified by the Chilean Senate on December 31, 1895, but the Bolivian Congress, doubtful that Chile would win an eventual Tacna-Arica plebiscite, made its ratification conditional on Chile's delivering to Bolivia at Vitor or a similar bay a port which would "amply satisfy the present and future needs of the commerce and industries of Bolivia." This open-ended obligation was too much for the Chileans to swallow, but they did sign an explanatory protocol on April 30, 1896 which obligated Chile to provide an anchorage for vessels and sufficient land for a dock, official buildings and a town. Once again the Bolivian distrust of Chile's sincerity and a desire to exploit a momentary position of strength caused the Bolivian Congress (November 1896) to adopt a declaration authorizing the Bolivian Executive to determine whether or not the port fulfilled the conditions established in the agreement between the two countries. Furthermore, the Congress failed to

ratify one of the package of agreements which were to stand or fall together. The moment passed; the crisis with Argentina became less acute, and the whole ambitious project was laid to rest.

By 1900 the balance of power had again tipped in Chile's favor. The Presidents of Argentina and Chile met and exchanged abrazos in the straits of Magellan while Bolivia had become involved in a dispute with Brazil which eventually resulted in another substantial loss of territory. Chile's attitude towards Bolivia changed. It became settled Chilean policy that Bolivia's port requirement could be met by modern transportation and free port privileges at Arica and Antofagasta, and this policy, in general terms, was announced to the world in a Foreign Ministry circular of September 30, 1900. This policy was restated in negative form but not substantially altered in 1923 when the Bolivian Minister in Santiago formally requested the revision of the 1904 treaty; the Foreign Minister replied that Chile would not accept, even in principle, the revision of the treaty; Chile would, however, consider any proposal the government of Bolivia might present to meet its requirements without modifying the 1904 treaty or interrupting the continuity of Chilean territory.

Although the offer of a port was withdrawn, Chile was prepared to offer Bolivia extensive economic and commercial advantages. For its part, many Bolivians realized that, after so many years, the coastal province was irretrievably lost and that Bolivia's military strength could never hope to defeat Chile. On the other hand, the conditions of the Truce Agreement of 1884 were onerous, especially to the commercial-industrial sector, which saw in the free entry of Chilean products into Bolivia a barrier to the development of local industry, while Bolivia was unable to

profit from the reciprocal right to export to Chile. The desire to gain control of their own customs seems to have been a strong factor in the decision to conclude peace with Chile while extracting as many other benefits as possible in the process.

In 1903 General Ismael Montes was elected president of Bolivia on a platform which specifically included making peace with Chile; and the treaty was signed on October 20, 1904, exactly 21 years after the Treaty of Ancón. In return for Bolivia's cession of the former coastal province, Chile agreed to:

1. Construct a railroad from Arica to La Paz, the Bolivian portion of which would become Bolivian property 15 years after completion.
2. Guarantee loans to Bolivia for the construction of other railroads up to a total of £1,700,000 in installments not to exceed £100,000 annually.
3. Give Bolivia £300,000 in cash.
4. Pay certain claims against Bolivia.
5. Grant Bolivia "in perpetuity the most ample and free right of commercial transit through its territory and ports on the Pacific."
6. Permit Bolivia to establish customs agencies at the ports it might designate for its commerce. The treaty designated Antofagasta and Arica to begin with.

In addition the two countries agreed to accord each other's products most favored nation treatment and to refer all questions regarding the interpretation or execution of the treaty to the arbitration of the Emperor

of Germany. The clause relating to commerce was of particular importance in that Chile surrendered the privileged position it had held in the Bolivian market for 20 years. Bolivia recovered her autonomy in commercial matters, and this was one of the primary reasons for concluding a treaty. Furthermore, the right of free transit through Arica and Antofagasta gave Bolivia most of the economic-commercial advantages of a port of its own without the responsibilities of maintenance.

The other advantages to Bolivia were by no means negligible; the construction of a railroad to La Paz was expected to give a powerful impetus to the economy of the Altiplano. Due to the difficulty of the terrain the cost of construction could be expected to be high, and Bolivia was itself in no condition to finance the project. Chilean financial backing for the construction of the other railroads and the assumption of claims against Bolivia also represented an appreciable aid to the financially harrassed republic. Chilean writers estimated the cost of the treaty to Chile as approximately £5,500,000 up to 1926, of which £4,000,000 represented the cost of building the Arica-La Paz railway.

But Bolivia was never completely happy with the arrangement, and its dissatisfaction has grown more intense over the years. The hope not incorporated in the treaty was obviously that some day in some way, Arica or some other satisfactory port might be turned over to Bolivia in full sovereignty. This aspiration is evident in a confidential protocol signed together with the 1904 treaty in which the Bolivian signatory promised his nation's support for the definite incorporation of Tacna and Arica into Chile. Only if the status of the provinces were settled in favor of

Chile could the policy expressed in the abortive 1895 treaties be revived; this seemed to Bolivia in 1904 the best course to follow in regaining access to the sea.

It will be noted that no reference has been made in the preceding pages to any action by the United States to hasten the peace settlement. In fact, the United States played no significant role in the conclusion of the 1904 treaty between Bolivia and Chile. It may be that the successful conclusion of the treaty was due to that fact. The participation of the United States usually resulted in both parties stiffening their terms and waiting for the US to induce the other party to agree to them. In any event, the US escaped bearing the onus for a settlement, which became increasingly unpopular in Bolivia. In the next chapter we will review the reasons for Bolivia's dissatisfaction.

Summary

The balance of power principle has played a role in South American diplomacy as well as in that of Europe. The War of the Pacific greatly enhanced Chile's financial and military strength, but the desire of Peru and Bolivia to regain lost territories made Chile more vulnerable to outside pressures. The only country in a position to exert major pressure on Chile during the last years of the 19th century was the growing Argentine Republic, with which Chile had unsettled boundary problems. Chile endeavored to offset this pressure by maintaining cordial relations with Brazil and to keep Peru in check by encouraging Colombia and Ecuador to press for a favorable settlement of their border disputes with Peru.

Nevertheless, as relations with Argentina reached successive crises, the Chilean government made serious efforts to solve outstanding issues, first with Bolivia and later with Peru. The key to Bolivia's support was in restoring its access to the Pacific, and a series of treaties signed in 1895 obligated Chile to provide a suitable port, but while Bolivia haggled over details, the crisis with Argentina passed and Chile withdrew the offer of a port. Instead, Chile concentrated on developing a package of economic and commercial benefits to Bolivia which the Chileans thought might meet legitimate requirements for development. Aided by a favorable change in the Bolivian administration, a peace treaty was concluded in 1904 by which Bolivia recognized the irretrievable loss of the coastal province and in return got free transit privileges and the right to station officials at Arica and Antofagasta, a railroad from Arica to La Paz at Chilean expense, and a number of financial advantages. The US played no part in the conclusion of the treaty which failed to achieve the objective of drawing Bolivia and Chile together in genuine friendship.

Chapter III

Bolivia Demands a Port

At first the 1904 treaty with Chile did not encounter serious opposition in Bolivia. President Montes controlled a majority in the Congress, and the treaty was ratified by both houses in joint session by a vote of 42-30; significantly, however, a majority of the Senate voted against. The Bolivian Minister to Chile who signed the treaty, Alberto Gutiérrez, wrote a book published in 1905 stressing the inevitability

of recognizing the loss of the coastal province and the economic advantages to Bolivia of concluding peace. Eliodoro Villazón, Foreign Minister when the treaty was signed, stated:

Given the importance of our multiple problems with the Republic of Chile and the military and financial predominance of that nation in contrast with ours, I have never followed the course of action of some groups of Bolivian politicians, outlining pleasing programs and nourishing themselves with illusory hopes. A statesman has no right to depart from reality; he must tell the people the truth, however sad and painful it may be; he must offer solutions which permit them to move forward along the road of progress.

Few statesmen of any nation have had the courage to follow Sr. Villazón's advice, and in fact it was under his presidency that Bolivia opened its campaign for a port on the ocean. The first shot in this still-continuing struggle was fired by Villazón's Foreign Minister Daniel Sánchez Bustamante, who sent a note to the Lima and Santiago Foreign Offices dated April 22, 1910 which stated in part, "Bolivia cannot be cut off from the sea and live; now and at all times she will, as far as her strength permits, do all that lies in her power to achieve possession of at least a convenient harbor on the Pacific...." Sr. Bustamante expressed the hope that "inspired foresight" would provide the solution to the Tacna-Arica problem through the incorporation of all or part of those provinces in Bolivia.

In his circular Bustamante advanced one of the arguments which has been most frequently repeated through the years by Bolivian politicians and journalists: the simple, unsupported statement that Bolivia cannot be cut off from the sea and live. This is often expressed in terms of "suffocation" and "isolation," as if the lack of a seaport cut Bolivia off from all intercourse with the rest of humanity, placing it in a kind of

perpetual solitary confinement. In reply, the Chileans point out that there are a large number of countries--Switzerland, Hungary and Czechoslovakia, to mention only a few--which have no seacoasts and which have nevertheless managed to survive and achieve a considerable degree of prosperity. Chileans also point to article six of the 1904 treaty in accordance with which Chile promised to accord to Bolivia in perpetuity "the most ample and free right of commercial transit through its territory and ports on the Pacific." The Chilean government has repeatedly expressed its willingness to discuss with Bolivia any complaints and to work out improvements in the procedures for handling shipments en route to or from Bolivia.

Nevertheless, Bolivia has not been satisfied with the arrangements although the exact nature of the objection has not always been clearly stated. Jorge Escobari Cusicanqui, who has held various senior positions in the La Paz Foreign Ministry including that of Undersecretary, has capably summed up the Bolivian arguments in his book, El Derecho al Mar. In his view, although the Chilean authorities have always expressed a willingness to discuss free transit problems with Bolivia, the experience of 85 years indicates that these offers are not carried out or are carried out in such a way as to accentuate Bolivia's dependency and offend her sovereignty and dignity. Specifically, the Bolivians assert, free transit is not permanent or unrestricted. It is tied to Chilean foreign policy so that whenever problems arise between the two countries, Chilean authorities find ways to damage or delay Bolivian shipments in order to oblige Bolivia to yield to Chilean dictates. "This means that the fate of Bolivia is

subject to the good will of the government of Chile. In a word, Bolivia is not really free." So spoke Bolivian Foreign Minister José Fellman Velarde in a radio address on April 3, 1963, adding that a large part of the difficulties Bolivia has experienced in its development stems from the lack of its own outlet on the Pacific Ocean. This idea is widely held in Bolivia.

Other limitations and objections noted by Sr. Escobari and others included:

1. Bolivia does not have control of the system of communications required for the shipment of merchandise.
2. Chilean authorities "constantly" interfere with the movement of Bolivian cargoes. An outstanding example of this was during the Chaco War when Chile agreed to observe the League of Nations prohibition on the shipment of arms to Bolivia and Paraguay. The Chilean position was that the treaty only guaranteed free transit for commercial shipments and that this did not include armaments, particularly when the embargo was ordered by the League of Nations. In 1937, however, a transit convention was signed by Bolivia and Chile guaranteeing free transit "at all times and without any exception." The purpose of this agreement was to eliminate the restriction implied by the word "commercial."
3. Chilean judges arrogate to themselves faculties which nullify their country's promises. (Reference here is primarily to the action of judicial authorities in 1952 when, at the petition of representatives of the recently expropriated

tinmining companies, shipments to and from the mines were temporarily stopped.) In 1953 the two Foreign Ministers issued a declaration confirming their agreement that Bolivian exports were not subject to the rulings of Chilean courts.

4. Bolivia always has to depend on the "good will" of the Government of Chile to solve problems that arise. [This objection gets close to the heart of the matter: even though the record shows that the Chilean authorities have been careful to eliminate legitimate grievances and even to bend over backward to adjust procedures so as to give no cause for complaint, the mere fact that Bolivia has to ask a foreign state for improvements humiliates the pride of politically sensitive Bolivians.]
5. Any plans for development, such as the building of an oil pipeline to Arica, require the consent of the Chilean authorities who insist on regulating details. [This is true, but many pipelines today are interstate or international and require the approval of more than one governmental authority.]
6. Bolivian shipments delayed in Chilean warehouses are auctioned off by Chilean authorities.
7. Labor disputes in Chile have repercussions in Bolivia; for example, when the stevedores at Antofagasta were on strike, commercial exports were affected and consequently the economy of the whole country. [True, but Bolivian workers also strike.]

8. Bolivia is unable to control pilferage of Bolivian merchandise at Chilean ports. Insurance companies consider Arica one of the least safe ports on the continent and insurance rates are consequently higher. In some cases insurance has been refused. [No doubt, but pilferage is a world-wide problem from which areas under Bolivian jurisdiction are not exempt.]
9. It is charged that Bolivian shipments are often delayed because of transportation difficulties on the Chilean railroad. [The Arica--La Paz railway is not noted for efficiency on either side of the border. A common reason for delay is the failure of the Bolivian section to return box cars promptly to Arica.]
10. Port facilities at Arica are inadequate and methods are antiquated. Cargo is frequently lost or watersoaked "by chance or intentionally."
11. Charges for port services are exorbitant and customs brokers at Arica and Antofagasta make large profits. [There is some substance to these allegations.]

From the foregoing it may be seen that the Bolivian complaints are a mixed bag, some genuine, some simply inherent in the nature of shipping. At the time when diplomatic relations were broken in 1962, plans were being made for consultation between the Ministers of Public Works with a view to the construction of better port facilities at Arica, the elimination of intermediaries in the dispatch of merchandise to or from Bolivia and establishment of lower port charges. However, even though improvements are made, the one sore spot that cannot be removed is the mere fact that Bolivia has to undertake negotiations with a foreign power to achieve

objectives which for most countries are matters of domestic competence. It is not so much that Bolivia's development is impeded or that it is strangled or asfixiated by the lack of a port under its own sovereignty as it is that its pride as an independent country is wounded by the position of dependence in which its landlocked situation places it.

Validity of the 1904 Treaty

Bolivian writers and occasionally government officials have asserted that the 1904 Treaty is invalid, either because Bolivia's signature was obtained by coercion or because Chile has failed to carry out fully its provisions. The argument for the nullity of the treaty has never carried much conviction and the Bolivian government has not pushed this claim with vigor. In rebuttal, it has been pointed out that all peace treaties are in a sense imposed upon the defeated country, but they cannot for that reason be considered invalid.

In the specific case of Chile and Bolivia, the peace treaty was not signed until 20 years after the close of hostilities, and Bolivia was not occupied by Chilean troops at the time. Bolivia signed because of the very substantial benefits it gained by making a formal peace with Chile: what would be the status of the La Paz-Arica railway and the other payments made by Chile if the treaty were invalid? If Chile has not fulfilled all the provisions--those relating to the free use of Arica and Antofagasta were cited in this connection--nevertheless the Chilean government has repeatedly expressed its willingness to work out plans for the more effective implementation of Bolivian rights of free transit.

After the 1920 revolution in Bolivia when the Republican party came to power demanding the return of Bolivia's lost coastal province, the Chilean Charge d'Affaires in La Paz extracted a categorical affirmation before extending recognition to the new government that it would faithfully respect all treaties and contracts signed by previous governments. For official, if not for propaganda purposes, this may be considered to have closed the question of outright nullity.

However, Bolivian hopes were briefly aroused when the League of Nations came into existence, containing in its covenant the following provision:

Article 19

The Assembly may from time to time advise the reconsideration by members of the League of treaties which have become inapplicable and the consideration of international conditions whose continuance might endanger the peace of the world.

At first glance this article seemed tailor-made for Bolivia's purposes, and Bolivia attempted to have the revision of the 1904 Treaty with Chile put on the agenda for the first meeting of the League Assembly in 1920. This effort failed for procedural reasons, but at the second session of the Assembly the following year the matter was considered by a committee of jurists who reported on September 22, 1921 that Bolivia's request was out of order because the League Assembly could not of itself modify any treaty, such modification lying solely within the competence of the

contracting states. The report went on to say that Article 19 was not meant to apply to cases such as Bolivia's. This was a bitter pill for the Bolivians who saw their efforts to obtain moral sanction for the revision of the treaty backfire and actually strengthen the Chilean position. The next Assembly rubbed salt in the wound by electing Agustín Edwards, Chile's brilliant chief representative, President of the Third Assembly; Bolivia refused to attend.

In more recent years Bolivia's representatives in the United Nations have frequently mentioned in the general debate the problems of Bolivia's landlocked condition, but there is no apparent expectation that any action will ensue.

The Port Question and Bolivian Politics

The Liberal party which achieved power in Bolivia in 1900 believed that Bolivia's development and her aspiration to acquire a suitable ocean port could best be realized by cooperating with Chile. They recognized, tacitly at least, that the old Bolivian littoral was not well situated geographically to serve the most populous part of the country--the portion in which La Paz was located. Arica was the natural outlet for this region, and the cart road to Arica from the Altiplano led through Tacna. The acquisition of Arica as a port, particularly after the construction of the rail line to La Paz, was the major objective. This hope presumably influenced the Bolivian Minister in Santiago who signed the 1904 Treaty, Alberto Gutiérrez, also to sign the protocol promising support for the definitive acquisition of Tacna and Arica by Chile. Even though this

protocol was apparently disapproved in La Paz, the party line was again followed by General Ismael Montes, twice President of Bolivia, who was Minister in France in 1919. General Montes addressed a lengthy note to the Quai d'Orsay on January 14, 1919 requesting French support for the acquisition of Tacna and Arica by Bolivia. This caused an uproar in Peru, whose Foreign Minister, Melitón Porras, tartly informed his Bolivian opposite member that Peru would never surrender its rights to the provinces and suggested that Bolivia concentrate on recovering the portions of its territory stripped away by Chilean imperialism. The immediate result was anti-Peruvian riots in La Paz and a brief period of tense relations between the former allies.

In 1914 the Republican Party had been formed in Bolivia having as a main plank in its platform the recovery of the territory lost to Chile. After 20 years in power the Liberals were overthrown in July 1920 to be replaced by the Republicans. The mobs which in January had attacked Peruvians with equal ardor in July turned against Chile, and the issue of a Pacific port was firmly established as a leading question in Bolivian politics. With the passage of time the distinction between the pro-Peruvians and the pro-Chileans has largely disappeared. Chile now has both Arica and Antofagasta, so it is against Chile that Bolivian popular wrath is most frequently turned. But the power of the port issue to arouse the people has retained its vigor over the years and can be used to distract attention from other issues in Bolivian politics.

From 1922, when President Harding invited Chile and Peru to meet under the good offices of the United States to discuss the settlement of the Tacna-Arica dispute, until 1929, when the dispute was settled, Bolivia's aspiration for a Pacific port was inextricably intermingled with the disposition of those provinces. We must therefore review developments on this diplomatic front since the Treaty of Ancón was ratified in 1884.

Summary

Immediately following the signature of the Treaty of Peace and Amity between Bolivia and Chile in 1904, the former accepted it as the best arrangement that could be made, but increasingly as time went on, the irritations, many of them petty, which arose through having all Bolivia's foreign trade pass through foreign ports were regarded by Bolivians as far outweighing the advantages received. The policy of regaining a port on the Pacific under her own sovereignty was enunciated in 1910 and has been pushed unsuccessfully ever since in every available forum, including the League of Nations and the United Nations. Chile has repeatedly acted to improve facilities available to Bolivia in Arica and Antofagasta and to insure the unrestricted free passage of shipments, but Chile has been unwilling to consider revision of the 1904 Treaty or any break in the continuity of Chile's territory.

Meanwhile, the port issue became a major topic for political agitation in Bolivia and has led to strained relations at different times with both Chile and Peru. While the popular desire for a port is genuine, it has on occasion been exploited by politicians to distract attention from other problems.

Chapter IV

Tacna-Arica: Phase I

The problems determining the fate of the two Peruvian provinces occupied by Chile at the end of the War of the Pacific was one of the most sensitive subjects in inter-American relations from 1894 to 1929. It dominated Chilean policy to the point where all else was subordinated to it; it became the center of gravity around which all else revolved. As we have seen, the trouble stemmed from Article III of the Treaty of Ancón which provided that at the expiration of ten years, a plebiscite should be held to determine by popular vote whether the provinces should remain under Chilean sovereignty or continue as part of Peru. The winner was to pay the loser ten million silver pesos. The manner of carrying out the plebiscite and the terms for paying the sum due the loser was to be determined in a protocol which was to be drawn up later.

The Chileans at the time considered delaying the final decision regarding the fate of Tacna and Arica to be a face-saving device for the struggling Iglesias government, and there are indications that the Peruvian negotiators also considered the provinces lost to Peru. If so, this attitude did not long prevail, and Peru determined to recover the territories by plebiscite or by any other means available to her.

Meanwhile, Chilean policy was by no means so straightforward. There was no agreement among the leaders as to what the eventual fate of the area should be, and the same men held different views at different times. The situation was well described in 1900 by Gonzalo Bulnes, the leading Chilean historian of the Pacific War:

Peruvian policy has been fixed since the beginning of the debate and ours has had all kinds of deviations and vacillations.

The objective of Peru cannot change because its sole desire has been to recover its old provinces, having the plebiscite presided over by a foreign power and attempting to obtain the best terms for the payment of the ransom.

In contrast Chile has worked one day to win the plebiscite for its own advantage; another to give the territory to Bolivia; another to surrender it to Peru, and naturally its action has been weak and it has made declarations and adopted policies which are contradictory and dangerous.

In the circumstances, Peru had to be the active element since Chile was in possession of the objects of contention, and the history of the period shows a patient series of Peruvian proposals and a corresponding series of Chilean evasions, except when Chile was hard-pressed on other diplomatic fronts, at which times Chile showed some willingness to consider compromise agreements. While the Tacna-Arica problem was thus a diplomatic embarrassment for Chile, there was one advantage which may not have been appreciated at the time: agitation over Tacna-Arica kept Peruvian opinion so fully occupied that relatively little time or energy was spent on mourning the loss of Tarapaca, which was of course much more valuable. So Tacna and Arica formed buffers in a political as well as in a military sense against the Peruvian desire to repossess its other lost territories.

As time went on, the Tacna-Arica question became an increasing obsession for Peruvians. In many respects the emotional climate intensified as the generation which had fought the war gradually passed from the scene. Recovery of the provinces became a sacred trust for succeeding generations. In 1907 the Foreign Minister reported to Congress:

If the men who, at the conclusion of the war, undertook the thankless task of reorganizing the country after the disaster it occasioned, were able to maintain alive the hope of eventually regaining those two beloved provinces, the present generation, to which is entrusted the direction of public affairs, considers as the most imperious of its mandates and the most sacred of its duties the defense and realization of this expectation.

Two major approaches to solving the issue were open to the parties:

- 1) to carry out the provisions of the treaty and hold a plebiscite, the outcome of which would determine the nationality of the two provinces; or
 - 2) to alter by mutual agreement the provisions of the treaty and reach a solution by direct negotiation which would not involve a popular vote.
- Both these approaches were tried at different times, and a large number of ingenious variants were developed in an effort to reach a mutually agreeable plan.

Proposals for a Plebiscite

The problem faced by Chilean public men was the indubitable fact that any free vote taken in Tacna and Arica would have resulted in a clear majority for Peru. Chilean statistics themselves confirmed that there were twice as many Peruvians in the area as all Chileans and foreigners put together. Consequently, Peru strove to obtain agreement to hold a plebiscite under conditions which would allow the Peruvian majority a chance to express its will freely. Proposals included:

- Chilean withdrawal after the expiration of the ten-year period specified in the Treaty of Ancon; Peruvian authorities would conduct the plebiscite (1892);

- the provinces should be divided, with Peru conducting the plebiscite in Tacna and Chile in Arica; it was assumed each would win the vote in its area of control (1893);
- voting would be conducted under the supervision of a tripartite commission with the third member appointed by the King of Spain who would decide disputed points (1898);
- postponing the plebiscite for 20 years and then supervising it by a bilateral commission headed by the Chief Justice of the Chilean Supreme Court (1912).

All of these proposals were rejected by Chile except the last, which aroused such opposition in Peru that it contributed to the overthrow of the administration which proposed it.

Public opinion in Peru and public statements by officials were one thing; their privately expressed views did not always coincide. One of the most ardently nationalistic of the younger generation of Peruvian politicians was Augusto B. Leguía, who in 1909 was serving an apprentice term as President of Peru. In conversation with the American Minister, Leslie Combs, the President was reported as saying, "The Peruvian people are naturally of a revolutionary tendency, and the sentiment with regard to Tacna and Arica is the only subject upon which they are united. Its agitation, therefore, has always the effect of solidifying and nationalizing opinion and thus at times the trouble with Chile works for the real welfare of the country."

Attempts at Direct Settlement

With Chile in possession of the objects in dispute and no formula of agreement possible which would harmonize their totally antagonistic views, it is not surprising that no progress was made towards a settlement. Besides negotiations aimed at conducting a plebiscite, various efforts were made to reach a settlement outside the treaty framework. These consisted largely of Chilean efforts to bribe Peru into surrendering Tacna and Arica, generally for a larger payment than that specified in the Treaty of Ancón. Peru's desperate financial straits at the close of the war and the period of political instability which followed made such offers seem logical, but all were rejected by Peru. Peru was equally firm against proposals to turn the provinces over to Bolivia, as proposed in the uncompleted Bolivian-Chilean treaty of 1895. At different times both sides proposed dividing the provinces according to various formulae, but these proposals generally broke down over the insistence of both sides on retaining the port of Arica. After the completion of the Arica-La Paz railroad in 1913, the importance of Tacna to Chile diminished markedly since it no longer dominated the principal route to the Altiplano. The basis for a compromise was beginning to appear, but it was a long time before it was recognized.

Chileanization

The possibility that Chile might some day face a situation which would make it necessary to go through with a plebiscite in Tacna and Arica under neutral control appears to have impressed and depressed Chilean

statesmen around the turn of the century. Given that the majority of the inhabitants of the provinces were Peruvians and unshakably loyal, the Chilean government took measures to change the character of the population and remove the supports for their continuing devotion to Peru. The Foreign Minister, Rafael Errázuriz Urmeneta, announced the new policy to the Congress in 1900 thus:

The government, using the rights conferred by the treaty of Ancón itself, proceeded to take a series of measures regarding Tacna and Arica to place Chile in a favorable position for effectuating the plebiscite and, moreover, to contribute powerfully to the welfare and progress of those provinces....

The measures consisted of forbidding observance of Peruvian national holidays, closing Peruvian schools, and replacing Peruvian teachers with Chileans who taught the Chilean version of the War of the Pacific and had the children learn songs ridiculing Peruvians. Peruvian labor was discriminated against and hundreds of Chilean workmen were imported to carry out public works and especially to construct the Arica-La Paz railroad. Efforts were made to buy or expropriate land for settlement by Chileans, preferably war veterans. Peruvian priests were harrassed and an effort was made-- unsuccessfully--to have the Vatican remove Tacna and Arica from the episopal jurisdiction of Arequipa. Needless to say, these actions were bitterly protested by the Peruvian government and made the subject of a world-wide propaganda campaign. The culmination of embarrassment came for Chile in 1910 when a Peruvian agent succeeded in purloining a substantial portion of the Foreign Ministry's archives dealing with Peru and Bolivia, which were published in the Lima press. Among these were the minutes of the Consultative Committee on Tacna and Arica giving details of the Chileanization plans underway.

Having protested in vain, the Peruvian Minister withdrew from Santiago in 1901, leaving the diplomatic missions truncated. However, the logic of the situation compelled Peru to keep trying, and Ministers were exchanged again in 1905 but withdrawn in 1909 and the Legations closed in March 1910, producing a rupture of diplomatic relations. Finally, in 1918 the Chileans summarily seized and deported the Peruvian consul in Iquique, after which all official relations were suspended until 1928. It was clear that, in existing circumstances, Chile and Peru were unable to solve the Tacna-Arica problem; some change in the situation would be needed before the tangle could be unravelled.

Role of the United States

Could the United States supply the key to unlock the situation? Apparently neither the means nor the will were on hand. Since James G. Blaine became Secretary of State with the objective of setting up machinery for maintaining peace in the Western Hemisphere, important changes in US policy had occurred. At the First International Conference of American States in Washington (1889-1890) which launched the Pan American movement, Chile had been virtually isolated in her opposition to binding arbitration to cover all disputes. But between the First and Second Conferences came the Spanish-American War which on one hand aroused renewed fear of US intentions in Latin America and which on the other changed US views on the acquisition of territory as a result of war. The United States also receded from its strong support for compulsory arbitration and readily acceded to Chilean insistence that this subject be excluded from the agenda of the Pan American Conferences.

While over-all relations between the United States and Chile remained less than cordial, nevertheless some points of friction were removed and US emotional involvement with Peru was lessened.

Our non-involvement was not for lack of trying by Peru. At a time when Peru thought Chile was encouraging Bolivia to attack Peru, the Peruvian Minister asked Secretary Knox to issue an "expression of views" (August 1909). After evading several approaches, Mr. Knox informed the Peruvians that the United States "was unable to find itself called upon to make in the present phase of the situation any expression of its views."

When Peru closed its Legation in Santiago in March 1910, it requested and the United States agreed to accept custody of the archives and to exercise informal good offices on behalf of Peruvian citizens in Chile. When informed of this proposed arrangement the Chilean Foreign Office replied that it was hoped that the United States would not insist on going through with it since it would be misinterpreted by the Chilean people and abused by Peru to drive a wedge between Chile and the United States. The Assistant Secretary of State who received this turn-down from the Chilean Minister in Washington observed chillingly that he knew of no instance where so usual and customary a request had been refused. The Department apparently remembered this incident, for in 1918 when Chile and Peru broke consular relations and Chile requested the United States to assume the protection of Chilean citizens in Peru, Acting Secretary Frank Polk declined, stating that the United States wished to maintain a completely impartial attitude so that it could be of service to both countries.

Polk's position was consistent with the advice of Henry Fletcher, who represented the United States in Chile from 1910 to 1916 and was our first Ambassador there. In 1913 he wrote:

In my opinion it would be a great mistake for the United States to offer any advice in the dispute.... It seems to me that our interests will be better served by a strict impartiality and absolute non-interference either singly or collectively. If this course shall be maintained Chile cannot complain; the unfortunate results of former similar efforts on our part are a sufficient answer. In Peru the particularly friendly feeling towards us would be changed in a twinkling to enmity and distrust. We have, I believe, everything to lose and nothing to gain by interfering.

Fletcher's advice was sound and was followed for a number of years, partly by design, partly by chance. The period from 1910 onward saw the United States deeply engrossed in the affairs of Mexico, Central America and the Caribbean, and of course from 1914 on with World War I. There was, as Fletcher pointed out, little that we could do about Tacna and Arica. Both sides occasionally attempted to use us to bring pressure on the other, but our constructive suggestions were not welcomed by either. Nevertheless, long term shifts in power relationships, the gradual pressure of economic trends and changes in domestic political alignments were working slowly to produce circumstances in which a settlement of the Tacna-Arica problem would become possible.

Summary

Chile's expectation that Peru would agree to the incorporation of Tacna and Arica into Chile either through a sham plebiscite or an open or disguised sale was quickly disappointed in 1894 when it became apparent that Peru would insist on a fair popular vote in accordance with

Article III of the Treaty of Ancón. Except when hard-pressed on the international front Chile refused to consider neutral administration of a plebiscite, and even under pressure managed to evade implementation of any agreement. In an effort to produce circumstances which would guarantee a favorable vote, the Chilean authorities engaged in a campaign either to break the spirit of the Peruvian inhabitants or to replace them by Chileans, but neither effort succeeded. From being considered a potential asset, the provinces, especially Tacna, increasingly became impediments to the conduct of Chile's foreign relations; however, they also became symbols of national prestige, and much time was required to shift the balance in favor of a reasonable compromise.

The United States followed events in the southern Pacific with considerable interest but wisely refused to be drawn into attempts to find or impose solutions which would inevitably have resulted in incurring the enmity of one or both of the adversaries.

Chapter V

Tacna-Arica: Towards a Settlement

Like the movement of great land masses over geological ages, the onset of change in basic international relations is sometimes so slow at first as to be unnoticed by all but the most careful observers. Although it appeared in the early years of the 20th century that the positions of Chile and Peru on the Tacna-Arica question were fixed and immovable, forces were at work impelling them towards a settlement even though many years were required before their effect became visible.

One of the more far-sighted Chilean statesmen of the turn of the century was Javier Vial Solar, who as Chilean Minister in Lima had negotiated a reasonable agreement with Peru in 1894 for dividing the disputed territory. He published a book, The Problem of the North, which sustained the thesis that Chile, with its long coastline and maritime tradition, should direct its attention towards the sea with a view to becoming the Venice, the Genoa, even the England, of South America. The realization of this dream would require a definite peace with Peru.

The completion of the Panama Canal in 1913 underscored the importance of good relations with Peru. Chilean shipping, which formerly had passed through the Straits of Magellan to the Atlantic, now began to move along the west coast of South America, requiring calls at Peruvian ports. Every time the Tacna-Arica dispute flared up Peruvian longshoremen would refuse to load or unload shipments to or from Chile, putting a distinct burden on the commercial sector. Besides commercial advantages, the collapse of the nitrate boom after World War I made the reduction of the military expenses occasioned by the maintenance of large forces in Tacna a highly desirable objective.

The enunciation of Wilson's 14 points and related principles--especially the statement that self-determination of peoples should be permitted in disputed territories--fitted the Peruvian book perfectly. Peru became an ardent supporter of the Allies in World War I while Chile, sympathetic with Germany ever since Bismark refused to intervene in the War of the Pacific, remained neutral. Supported by the principle of self-determination, agitation in Peru and in Tacna, Arica and even

Tarapacá rose to new heights in 1918, and Chilean repression was correspondingly intensified. It was this wave of unrest which resulted in the final severance of consular relations, the last tie between Chile and Peru. Peru even wished to lay her case before the Paris Peace Conference but was dissuaded from this move as well as from a later attempt to bring the case before the League of Nations.

Another circumstance pressing toward a settlement was the fear aroused in Latin America by increased US politico-military activity in Mexico, the Caribbean and Central America coupled with greatly expanded American investments in South America at a time when European investment was diminishing because of the war. Would increased US economic interest in South America lead to the same kind of intervention which had become so rampant in Middle America? In these circumstances many Chileans saw closer relations with the other countries of Latin America as a needed counter-balance to United States influence. The Pan American movement which had gotten under way in 1890 seemed to offer possibilities in this direction, but Chile's activities in inter-American meetings were hampered by the constant necessity of guarding against Peruvian and Bolivian attacks. Chile had found herself virtually isolated at some of the early meetings because of her resistance to participating in any scheme for the peaceful settlement of disputes which might in any way allow third parties to gain a decisive voice in the Tacna-Arica affair. To acquire more influence among the other Latin countries and to offset US influence also required a solution to this long-standing dispute, but paradoxically, US influence might also be needed to help bring Peru around.

The man in whom all these elements came into focus was Arturo Alessandri Palma, "the Lion of Tarapacá," who was elected President of Chile in 1920. He believed that the Tacna-Arica affair was affecting business adversely and aggravating social unrest. Although he desired to check the growth of US influence in South America, he nonetheless turned to this country for assistance in solving the Tacna-Arica dispute, confident that he could use the United States without falling under its influence. In an after-dinner speech following a banquet in his honor given by the American Ambassador, Joseph Shea, in December 1920, he expressed his desire for a settlement in Tacna and Arica and his hope for US backing in the undertaking; in case the message did not come through clearly he had his Ambassador in Washington hand the State Department a copy of his remarks.

Peru had for years been attempting to get the United States involved in the settlement of the Tacna-Arica dispute; nonetheless, with that perversity which often marks international relations, the government of President Leguía now appeared reluctant to accept US good offices, or perhaps to credit the good faith of the Chilean proposal. In any case, most of 1921 passed before the two adversaries could agree to meet in Washington. The Peruvian acceptance, when obtained, was comprehensive: Foreign Minister Alberto Salomón invited the Chilean Government to "submit jointly the entire question of the South Pacific, which divides us, to an arbitration agreed to through the initiative of the Government of the United States of America."

The willingness of the United States Government to get back into the ring where it had received so many hard knocks before may be attributed to the change in philosophy between the Wilson and the Harding administrations. During the war and the Paris Peace Conference, the United States had been oriented toward global affairs and especially those involving the restoration of peace and its maintenance through the League of Nations. The US Senate had rejected the League and the people in 1920 had decisively showed their dislike for "entangling alliances." Under the guidance of Secretary of State Charles Evans Hughes, the Harding administration turned away from Europe and towards the Western Hemisphere. Having stayed out of the League, the US was not eager to have the League poking about in inter-American affairs and consequently had to resume the role of arbiter which it had once thought of vesting in the world body. A few years later Undersecretary William R. Castle noted in his diary that Secretary Kellogg was "hot with Mr. Hughes for ever getting mixed up in the matter [Tacna-Arica] at all because he thinks that the outcome was certain to be disastrous to our good relations with both Chile and Peru...."

Once the agreement of the parties had been obtained in unpublicized negotiations, President Harding formally and publicly on January 13, 1922 invited them to send representatives to Washington to "settle, if happily it may be, the existing difficulties or...arrange for the settlement of them by arbitration." Thus, the meeting was to proceed in two stages: first, an effort by the parties themselves to iron out their differences, and second, if that proved impossible as expected, to agree on terms of referring the matter to arbitration.

No sooner had President Harding's invitation gone out than Bolivia entered an urgent request to be included in the conference. To this Harding replied he had not been invited to settle the question of disposing of the provinces but only to bring the parties together; hence the question of including Bolivia was a matter for the parties themselves to decide. Needless to say, the parties did not wish to invite Bolivia, which had now appealed both to the League and to the United States in vain.

The conference met on May 15, 1922 in the Pan American Union Building and quickly agreed that no direct agreement on terms of settlement was possible. On July 20 a protocol was signed confirming that the only difficulties arising out of the Treaty of Ancón on which it had not been possible to reach agreement were questions arising out of the unfulfilled portions of Article III. This was an important point since it meant that Peru would not raise the question of Tarapacá, whose cession to Chile was covered by Article II. Those remaining difficulties, the protocol provided, should be submitted to arbitration by the President of the United States.

In a supplementary agreement, Chile and Peru defined the question to be submitted to arbitration as, whether the plebiscite called for in Article III should or should not be held; if the arbitrator decided that it should be held, he was empowered to decide the conditions for holding it; if he decided it should not be held, the parties would seek to achieve agreement between themselves and, failing agreement, would again solicit the good offices of the United States. The agreement provided that the administration of the provinces would not be disturbed pending agreement

on their final disposition. This meant that the disputed area would remain under Chilean control while the plebiscite or other negotiations proceeded--another important point for Chile; Peru thus surrendered the point maintained since 1894, that the Chilean retention of Tacna and Arica was illegal. If the agreement appears weighted in favor of Chile, it may have been that, in addition to occupying the provinces indefinitely, Chile also had threatened to play its trump card: to annex the provinces formally to Chile without regard to the provisions of Article III. While Peru would of course have protested, she could in fact have done little more, and Chile was accustomed to ignoring Peruvian protests.

Although there was considerable domestic political opposition, both countries ratified the Washington agreements in January 1923. The Peruvian case emphasized general moral principles and the desirability of righting ancient wrongs. These concepts might have appealed to a Woodrow Wilson, but they made little impression on the legalistic mind of Charles Evans Hughes. Hence the decision issued by President Coolidge on March 4, 1925 came much closer to the Chilean than to the Peruvian position. The decision ruled that the Treaty of Ancón had not been invalidated by the failure to hold the plebiscite by March 28, 1894 and that the treaty set no time limit for the holding of the plebiscite; hence, the plebiscite should be held and Chile would remain in control of the territory while it was being carried out. This portion followed Chilean contentions, since they expected to win any plebiscite held under their administration.

But there was so something in the package for Peru: the conditions for carrying out the plebiscite were to be determined by a tripartite commission, composed of Chilean and Peruvian representatives and an American chairman. This meant that the Chilean administration would not have the decision about who could vote. The importance attached to the commission was demonstrated by the appointment as US member and chairman of General John J. Pershing, the commander of the American Expeditionary Force in Europe during World War I. Chile appointed one of her leading diplomatists, the bilingual Agustín Edwards; the Peruvian Commissioner was Manuel de Freyre y Santander.

The decision of President Coolidge was received with jubilation in Chile and dismay in Peru, where the government had to face adverse demonstrations. During the whole course of the effort to conduct the plebiscite, first one side and then the other would alternately rejoice and be enraged as events and decisions seemed to favor or damage their interests. As might be expected, both sides simply wanted to win, and questions of law and equity were of interest only as they served this objective. At first the Peruvians were confident of winning and pressed for an early vote. However, the Chilean authorities conducted a campaign of intimidation against resident Peruvians and especially against former residents who were ruled eligible to vote. The Plebiscite Commission was soon embroiled with the Chilean authorities in an effort to insist on conditions which would make a fair vote possible, and even Pershing's reputation did not protect him from slanderous attacks in the Chilean press.

The Commission began its meetings in Arica on August 5, 1925 and by August 14, Pershing already had grave doubts about the possibility of conducting an honest vote. Edwards approached him with a proposal for a direct settlement between Peru and Chile which would render the plebiscite unnecessary: Arica would become a free port and city for both parties and Chile would continue to administer the outlying areas. Although this plan was rejected by the still optimistic Peruvians, Pershing continued to regard a direct settlement as the only feasible solution to the dilemma. Edwards concluded Chile could not win the kind of a plebiscite Pershing was determined to administer, and he too urged his government to devise a direct settlement.

By the end of 1925 the picture had changed. Despite the Commission's repeated complaints and demands for an end to intimidation and coercion, the Chilean measures were sufficiently successful to make it likely that Chile would win after all; hence the Chilean Commissioner pressed for an early vote while the Peruvian insisted on delay until conditions would permit an impartial election. General William Lassiter, who succeeded Pershing as chairman, felt even more strongly that the plebiscite was impracticable; he vigorously pressed the State Department to call it off, but Secretary Kellogg was unwilling for the United States to assume responsibility for the cancellation and instead proposed negotiations in Washington between the parties with a view achieving a direct settlement. This was accepted subject to a Chilean proviso that arrangements for the plebiscite should continue. Talks began on April 6, 1926.

As in the past, the acceptance of US good offices in effect relieved the parties of the need for coming to grips with the real issues; both set forth their points of view and tried to get the Americans to procure their acceptance by the other party. Kellogg tried out a number of proposals: a division of the territory, which was rejected by Peru; the creation of an independent, neutralized state under a general South American protectorate, rejected by Chile; or the transfer of the disputed zone to Bolivia, rejected by both. Finally Kellogg succeeded in inducing Leguía to agree to a corridor for Bolivia including the railroad and an outlet on the ocean at the Bay of Vitor, south of Arica; the city of Arica itself and all of Tacna would go to Peru. However, the Chileans, while willing to give up Tacna, refused any solution which would deprive them of Arica and the railroad. After a final effort on June 4 to obtain acceptance of the Bolivian corridor idea, the negotiations collapsed, and Kellogg reluctantly authorized Lassiter to call a halt to the proceedings in Arica.

Although they led to no immediate solution, the Washington talks in the spring of 1926 were important because here the idea of dividing the disputed area was accepted by both sides. Although extreme nationalists in both Chile and Peru continued to hold to an all or nothing policy, the leaders, including President Leguía, who had made the recovery of Tacna and Arica one of his main political tenets, saw the need for compromise. In 1926 the parties were still rather far apart on how the division should be made and were reluctant to accept major sacrifices, but the principle which was to point the way to the eventual solution had been established.

In Arica Lassiter was faced with repeated Chilean insistence that a date for the voting be set. Armed now with Kellogg's instruction, he and the Peruvian member on June 14, 1926 voted to terminate the plebiscitary proceedings in a resolution which fixed the responsibility squarely on Chile. The resolution stated that Chile, as administrator of the provinces under the Treaty of Ancon, was obligated to create and maintain conditions necessary for holding a free and correct plebiscite, and this obligation had not been fulfilled. In these circumstances, the holding of a fair and free plebiscite was impossible, and the effort to do so should therefore be ended. Lassiter accompanied his resolution by a speech in which he blistered the Chileans by citing specific examples of their misdeeds. He rebutted the Chilean argument that the Commission had no authority to terminate the proceedings by pointing out that there was certainly no requirement to hold a vote which would obviously be a farce.

The wrath of the Chilean Government and people can better be imagined than described; the Washington talks were immediately suspended. But for once American bluntness appeared to pay off. Lassiter's indictment of Chile, supported as it was by intensive press coverage during the preceding months, carried conviction, and the Chilean Government found itself virtually isolated in the face of hemisphere-wide resentment. Peru was pleased that the plebiscite had been cancelled and found her position much stronger since the brutality of the Chilean regime in Tacna and Arica had been exposed.

It is probable that the effort to conduct a plebiscite was doomed from the beginning. Too many years had passed since the date when the vote should have been held. The character of the population had changed considerably; many natives had moved away, voluntarily or under pressure, and bringing them back to vote presented enormous logistic and legal problems. Leaving the area under Chilean administration, while in accord with the treaty provisions, probably rendered a fair election impossible, given the super-heated nationalism of the Chilean police and civilian officials. Finally, the plebiscite suffered from the defect of offering an all-or-nothing solution: the winner was to take all, making the stakes too large; no one could afford to lose. Reviewing the situation in 1927, Kellogg wrote, "It was a mistake for the President to arbitrate this question as it was submitted." His point was well taken.

Resumption of Negotiations

The wave of anti-Chilean sentiment which flooded the hemisphere as a result of the breakdown of the plebiscite resulted within a few weeks in a Chilean indication of a desire to resume conversations in Washington under the good offices of the United States. (Actually, the US role was much closer to that of a mediator since positive proposals were made to try to find an acceptable solution.) Secretary Kellogg and his assistants were especially interested in finding a solution to the problem of providing an outlet on the ocean for Bolivia in the face of the Chilean unwillingness to cede Arica. In October 1926, a possible solution was found based on the arrangement between Italy and Yugoslavia for the use of the port of Fiume by the latter. In line with this idea Tacna would have been returned to Peru and Arica would become Chilean with the

exception of a corridor including the Arica-La Paz railroad, which would be ceded to Bolivia. In the city of Arica, Chile would lease to Bolivia a strip of land which would include the portion of the railway within the city limits with the marshalling yards, shops and station, and also a segment of the seafront large enough for the erection of a dock, a custom house, and other necessary buildings. Although an outline of this scheme was cabled to the Embassies in Lima and Santiago, it does not appear that it was ever presented to the governments, which were engaged with other proposals at the time.

Meanwhile Secretary Kellogg, in view of the lack of progress, decided to bring the matter to a head. He consulted Charles Evans Hughes about which of the various proposals was the most feasible. After due deliberation Hughes suggested ceding both Tacna and Arica to Bolivia and neutralizing the area militarily. Mr. Kellogg, who had generally followed Hughes' advice on Tacna-Arica, on November 30, 1926 therefore formally proposed to both parties the cession of the disputed territory to Bolivia. Great was the rejoicing in Bolivia until, after some delay, Peru announced its total rejection of any plan which did not provide for the return of the two principal cities; the Chileans more diplomatically accepted the proposal "in principle." It is interesting to note that Secretary Kellogg's plan would have ignored completely the principle of self-determination for the inhabitants of the two provinces, only a few of whom were Bolivians--a point the Peruvian reply did not fail to make. With its definite rejection by Peru, the "good offices" of the United States were terminated, and the parties were left to work out a solution by themselves.

Summary

The outlook for the settlement of the Tacna-Arica dispute gradually improved between 1910 and 1921. The opening of the Panama Canal brought Chile and Peru into more frequent contact, and the collapse of the nitrate boom made Chile eager for better commercial relations and reduced military expenditures. President Arturo Alessandri proposed renewed negotiations with US assistance, and this led to agreement to refer the problem of carrying out the plebiscite under Article III of the Treaty of Ancón to the President of the United States as arbitrator. The President ruled that the plebiscite should be held under the existing Chilean administration but supervised by a tripartite commission headed by an American. When the commission prepared to carry out the voting, however, it was found that the local Chilean authorities were intimidating the Peruvian inhabitants to such an extent as to make a fair vote impossible. The plebiscite was called off over Chilean objections in June 1926.

Meanwhile, negotiations in an effort to reach a direct settlement between the parties were conducted in Washington, and the principle of dividing the disputed territory was accepted by both sides. This marked a major step towards a solution, but agreement could not be reached on how the division should be effected. In November 1926, Secretary Kellogg proposed ceding the provinces to Bolivia, and the flat Peruvian rejection of his suggestion brought the exercise of "good offices" by the United States to an end. If a solution to the controversy was to be found, it would have to be worked out by the parties themselves.

Chapter VI

The Agreements of 1929

Chile-Peru Rapprochement

As in 1920, a change of political personalities in Chile opened the way to renewed progress on Tacna-Arica. In May 1927, Carlos Ibáñez del Campo forced the resignation of President Emiliano Figueroa and many opponents of his regime went into exile. New personalities were brought to bear on the Tacna-Arica situation: Conrado Rios Gallardo became Foreign Minister and Carlos Davila Ambassador to the United States; both proved to be able men well suited for their positions.

Like Arturo Alessandri before them, Ibáñez and Rios Gallardo wanted to increase Chile's influence and prestige and agreed that the removal of the Tacna and Arica dispute as a millstone about the neck of Chilean diplomacy was necessary if that objective was to be achieved. As early as July 1927, Rios Gallardo publicly avowed Chile's desire to reach an understanding with Peru.

The break came when coincidence placed both the Chilean and the Peruvian delegations to the Sixth International Conference of American States on the same passenger vessel en route to Habana in January 1928. With the urbanity typical of Latin American diplomats they soon established a friendly relationship which developed into considerable cooperation at the Conference. For instance, Peru joined Chile in opposing a Bolivian motion favoring the revision of international treaties. The delegations found they could discuss the Tacna-Arica problem in a rational spirit and

decided to recommend to their governments the resumption of diplomatic relations as an essential first step towards a solution. However, since neither wished to appear to take the initiative, Secretary of State Frank Kellogg was requested to make a suggestion to this effect, which he did on July 9, 1928. Thus began a role for the United States somewhat akin to that of a ventriloquist's dummy, in which the Secretary of State echoed statements put into his mouth by Chile and Peru with a view to relieving the parties of the public responsibility for their decisions and actions.

The exchange of Ambassadors took place in October, and, by virtue of an informal suggestion by the Brazilian Ambassador, Chile sent to Peru none other than former President Emiliano Figueroa. Besides the distinction of being a former Chief Magistrate now withdrawn from active political life, Figueroa was a close personal friend of President Leguía; as Vice President of Chile in 1910 when Leguía was President of Peru, Figueroa had sponsored one of the many unsuccessful attempts to reach a settlement with Peru, and he was known as a man of good will. He undertook the arduous mission of re-establishing Chilean relations with Peru not, understandably, because of any great sympathy with Ibáñez, but as a patriotic duty. His conduct of his difficult task was exemplary; a better choice would be hard to imagine.

The Leguía-Figueroa Negotiations*

The negotiations, which lasted from October 1928 to June 1929, were conducted exclusively in Lima and exclusively by President Leguía and Ambassador Figueroa. As Rios Gallardo commented pithily, the only service rendered by the Peruvian Foreign Minister was to sign the completed agreements. It was an outstanding example of the value of personal diplomacy, although of course Figueroa was in constant contact by cable with his Foreign Office and received instructions regularly from Santiago.

From the first Leguía let it be known that the settlement would be made by Chile and Peru alone, that the Kellogg proposal for the cession of Tacna and Arica to Bolivia would not be considered. Nor of course were the Bolivians invited to participate in any way in the discussions.

By mid-March 1929, the main outlines of the agreement had been worked out; indeed, it appears that the major decisions were arrived at with relative ease and that the most prolonged dickering went on over comparatively minor issues. On March 17 the American Ambassador in Chile, Culbertson, informed the Department of the general outlines:

- The boundary between Chile and Peru was to be drawn parallel to the Arica-La Paz railroad and approximately ten kilometers north of it, thus returning Tacna to Peru and allowing Chile to keep the province and city of Arica.

* This negotiation will be seen principally from the Chilean side since the Chilean Foreign Minister, Conrado Rios Gallardo, has left a detailed account of it in his Chile y Peru: Los Pactos de 1929. Santiago, 1959.

- All government and municipal property and public works north of this line would be turned over to Peru free of charge.
- Chile would pay Peru X million dollars to construct a port for Tacna north of the boundary.
- Both parties agreed not to alienate to a third party any of the territory of Tacna or Arica or alter the course of international railroads without the consent of the other.
- Peruvian merchandise would enjoy free port privileges at Arica.
- The parties would embody in the final treaty detailed provisions for the compulsory arbitration of all disputes over the interpretation of treaty provisions.

The point of greatest difficulty was the location of a Peruvian port to serve Tacna. The Chileans pointed out that Tacna did not generate enough shipping to justify the construction of a port, but President Leguía believed it necessary to satisfy Peruvian public opinion. Then, engineers submitted conflicting reports regarding the feasibility of various points north of Arica for the construction of a port. The difficulty was finally overcome by a Chilean promise to construct a dock, a building for a Peruvian customs agency and a terminal for the Arica-Tacna railroad and, in addition, to pay \$6,000,000 for unspecified purposes.

This constituted a considerable concession by Leguía, but there was one point on which he would not yield. Again as protection against the expected adverse reaction of public opinion, he insisted that the agreement must be proposed by President Hoover. The Chilean Foreign

Minister suggested that this subterfuge would not withstand the lens of the historian and that it would be more dignified for the two countries to announce jointly that they had reached agreement on the terms for settling their long-standing dispute, but Leguía was adamant. Indeed, he had frequent conferences with Ambassador Alexander Moore which caused Rios Gallardo some concern until he realized that astute old Leguía was building a case to show that he was under pressure from the United States to come to an agreement with Chile.

On April 17 an outline of the agreement to be proposed by President Hoover was transmitted from Santiago; its eighth point was that neither party without prior agreement with the other would concede to a third party any part of the territory in question or alter the system of international railways. No reference was made to arbitration in case of disagreement. It was decided that President Hoover would make his suggestion for settlement in outline form; the parties would put it into treaty language subsequently.

Bolivia on Stage

On April 26, 1929 Secretary of State Henry L. Stimson received an agitated visitor, Bolivian Minister Eduardo Diez de Medina. He informed the Secretary that he had just learned that the treaty being negotiated between Chile and Peru would contain a clause prohibiting the transfer of Tacna or Arica to a third party without the consent of the other; he feared that this clause would forever bar Bolivia from the sea and begged

the Secretary to use his influence to have it removed. The Secretary made a non-committal reply but immediately despatched a telegram to Lima referring to point eight of the proposals submitted by Ambassador Culbertson and said that President Hoover would not be willing to propose anything inimical to the interests of a third party and concluded, "...the Government of the United States...would not be prepared to make a suggestion containing such a stipulation."

Minister Diez de Medina speculated that this clause had been inserted by Chile as an excuse to avoid carrying out the "promise" to turn Arica over to Bolivia if it should be acquired from Peru--an apparent reference to the 1895 agreements which, of course, were never perfected. While the exact origin and intent of this provision is not entirely clear, it appears to have been proposed by Chile and to have been insisted on over Leguía's mild objection to it on the ground that it was needlessly offensive to Bolivia. Replying to Leguía's objection, Rios Gallardo in a telegraphic instruction of April 17 told Ambassador Figueroa to insist, since the absence of the stipulation might "lead in the future to breaking the peace we want to cement." On another occasion Rios said with reference to the no-transfer provision, "Would it not perhaps be a guarantee of the peace being achieved...that both [Chile and Peru] should exhibit solidarity regarding the future destiny of the territory which would remain under their authority? From this came Article I of the Complementary Protocol." The most reasonable conclusion from these rather cryptic remarks is that Chile desired to have Peruvian support in resisting Bolivian pressure for a port and also to insure that Peru would not build a railroad in direct competition with the Arica-La Paz line.

In any case, President Leguía, in response to Ambassador Moore's request, said he would in no circumstances do anything in the slightest way to embarrass President Hoover and would ask to have the clause withdrawn at once. Consequently this point was dropped from the proposal made by President Hoover to the two governments, and the covering notes transmitting the proposal contained this sentence: "The proposal is therefore not to be interpreted as indicating that either the President or the Government of the United States of America expresses any opinion or view or makes any suggestion in any way whatever regarding any future disposition by either party of that portion of the territory in dispute which will be in its possession should the proposal enclosed herewith be accepted by the Governments of Chile and Peru." The proposals went out to Lima and Santiago on May 14 and were immediately accepted by both countries.

After receiving the acceptances of Chile and Peru, Secretary Stimson called in the Bolivian Chargé on May 17 and informed him of the terms of the Tacna-Arica settlement before they appeared in the press. In a mood of self-congratulation he told the Chargé that the provision regarding the future disposition of the territories had been eliminated at his (Stimson's) request and that he hoped Bolivia would keep this service by the US in mind especially since Bolivia had, more or less behind its back, gone to the League of Nations not only in this matter but also in the Bolivia-Paraguay boundary affair.

The "Secret" Protocol

Mr. Stimson was allowed to remain in a state of euphoria for nearly six weeks. The treaty was duly signed June 3, 1929 and precisely one month later the Bolivian Minister informed Assistant Secretary Francis White that he had learned that the clause to which Bolivia had objected had been incorporated in a secret protocol attached to the treaty and that the protocol had already been ratified by the Chilean Senate. Mr. White was incredulous; he thought we certainly would have heard about any such arrangement. Nevertheless, Ambassador Culbertson confirmed on July 6 the existence of the protocol and was able to transmit the full text two days later.

The event confirmed the Bolivians' worst fears. While sparing President Hoover the possible embarrassment of ostensibly initiating such a provision, the Chilean and Peruvian negotiators, when translating the general heads of agreement into legal treaty language, had simply added a rider which was to form an integral part of the treaty and which provided that, without previous agreement between them, neither power would cede any part of the territories dealt with in the treaty to a third power. They also agreed not to construct new international railway lines across the territories except by mutual accord. A second article of the protocol assured Peru of the "most absolute free transit" for persons, merchandise and armaments across this territory; while a third provided for the disarmament of the Morro and the erection of a monument there at Chilean expense.

One cannot help but admire the astuteness of the negotiators in not only circumventing Mr. Stimson's objections but also in keeping the protocol a secret until ratified by the two Congresses. It was not, however, conducive to the dignity of the United States first to act as a dummy in sponsoring the terms of settlement and then in having the non-transferral clause slipped in behind its back. This was, however, a small price to pay for the settlement of a dispute which had clouded the diplomatic horizon for nearly half a century. Looked at from this point of view, our role, while inglorious, was useful.

The Treaty

In transmitting the text of the treaty to the Department on June 25, Ambassador Moore commented that there had been a number of changes from President Hoover's original proposal. Most of these were of a technical nature, but others were of importance. In Article I of the treaty it was stated that the controversy regarding Article III of the Treaty of Ancón was the only difficulty pending between the signatory governments. This provision tacitly reconfirmed the Peruvian cession of Tarapacá and would appear to eliminate any reasonable argument regarding continuing Chilean sovereignty over the area.

From the standpoint of the United States an even more important addition was Article 12, which reads:

If the Governments of Chile and Peru disagree as to the interpretation of any of the provisions of this Treaty, and if, in spite of their goodwill, they can reach no agreement, the dispute shall be settled by the President of the United States of America.

Fortunately, the treaty was well drafted and there have been no calls to date on the President of the United States to interpret it. Conrado Rios Gallardo was especially insistent on having a full understanding with President Leguía on every clause to avoid such controversies as arose over Article III of the Treaty of Ancon. Since the United States is not a party to the treaty, it is not legally obligated to assume the responsibility of interpreting it. Nevertheless, the US Government has never objected to Article 12 nor expressed any reluctance to assume the role thrust upon it. The preamble of the 1929 Treaty refers to the fact that it was concluded "in conformity with bases which the President of the United States of America, in the exercise of good offices requested by the parties and guiding himself by the direct agreement concerted between them, has proposed...." and this is in substantial accord with the facts; furthermore, this language, unlike that of the remainder of the treaty, was approved by the United States prior to its incorporation in the treaty.

A somewhat different question arises, however, in connection with the Complementary Protocol. Its preamble makes no reference to US good offices, and quite correctly since, as we have seen, the first and principal provision of the protocol--that regarding the transfer of territory only by mutual agreement--was incorporated in spite of the objections of Secretary Stimson and his explicit statement that the President would not be willing to propose anything inimical to the interests of a third party. The notes transmitting the President's proposal

also made clear that no recommendation was being made about any subsequent disposition of the disputed provinces. In the light of these circumstances some doubt may be felt that the United States is under an obligation, moral or legal, to interpret any article of the complementary protocol although its text states that it forms "an integral part of the treaty."

Effects of the Settlement

The first and most obvious result of the treaty between Chile and Peru for the settlement of the dispute regarding Tacna and Arica was the removal of a serious source of discord between the two whose effects were felt throughout all aspects of their foreign and even of their domestic relations. Forty-five years have passed since the treaty was signed and ratified. The actual demarcation of the boundary was carried out without serious difficulty, and there have been no disputes about it since. There has been virtually no agitation in Peru for reopening the boundary questions settled by the 1883 and 1929 treaties, and areas of cooperation with Chile have developed.

However, the legacy of ill-will engendered by the War of the Pacific has not entirely disappeared. Chileans still make jokes about Peruvians and Peruvians still resent the Chilean occupation of Lima and the annexation of large areas formerly Peruvian. The centenary of the war may revive old bitterness and increase Peruvian desire for revenge. The recent rearmament of Peru, the consequent tipping of the balance of power, the strained relations following the overthrow of Allende and the

nervousness of both with regard to the other's intentions have resulted in a degree of tension. But the likelihood that either Peru or Chile would deliberately attempt to reopen the issues decided in 1929 appears remote.

A major result of the end of the Tacna-Arica controversy was the freeing of the foreign policies of both countries from slavery to this single issue. We have noted how Chile's foreign relations in particular were always on the defensive because of Tacna and Arica. After 1929 Chile was able to assume a stronger position in her few, small remaining territorial disputes with Argentina. Only two years after the 1929 settlement Peru came to the brink of hostilities with Colombia over Leticia, and in 1941 Peru used armed force to bring to a successful conclusion a long-standing dispute with Ecuador over trans-Andean territory. A generation before, Chile had been offering arms to Colombia and Ecuador to resist Peru; in 1942 Chile became a guarantor of the boundary protocol between Ecuador and Peru, *highly favorable to the latter.*

Perhaps an even greater advantage for both Chile and Peru was the disengagement from US influence which resulted from the solution of the Tacna-Arica dispute. Prior to 1929 both countries, but especially Peru as the weaker, were constantly attempting to persuade the United States to support their positions. The Chilean position, as the possessor of Tacna and Arica, was largely the negative one of insuring that the United States did not back Peru, but in both cases it required the maintenance of good relations with this country and hindered the adoption of policies

antagonistic to American interests. Since 1929 both have been able to pursue more independent policies and have, among other things, expropriated major American properties.

Nevertheless, the agreement removed a long-standing source of friction in US-Chilean relations. While the War of the Pacific was still going on, the United States made clear its disapproval of the acquisition of territory by force of arms, and opposition to Chile was especially manifest when, in 1882-83 there was genuine concern lest Chile swallow up Peru entirely. While our attitude was somewhat modified after the Spanish-American War, the Chileanization program in Tacna and Arica and Chile's pro-German tendencies during the first World War kept relations cool. Time and the 1929 treaty removed those irritants, and the way was opened for Claude Bowers and the golden age of US-Chilean relations.

Chile's freer hands in international relations also enabled her to take a more vigorous part in inter-American affairs. The 1922 agreement to submit Tacna and Arica to good offices and arbitration convinced the Chilean Foreign Office that limited multilateral agreements for the peaceful settlement of disputes could be accepted without endangering Chile's position in Tacna and Arica. Chile therefore became a party to the Gondra Treaty which provided for commissions of inquiry into disputes between American countries. Chile withdrew her reservation to the Washington Arbitration Treaty of 1929 after the settlement with Peru and now, after long hesitation, has ratified the American Treaty on Pacific Settlement, the most advanced and binding of all the inter-American peaceful settlement schemes. Moreover, Chile came to assume a position of leadership and enjoyed great influence and respect in the Organization of American States.

One other result of the 1929 agreements may be noted: the "secret" protocol slammed the door in the face of Bolivia's aspiration to acquire Arica or some other port on the Pacific. In the past the attitudes of Peru and Chile had varied from time to time. Generally the Peruvian tactic had been to refer the Bolivians to Chile and to the formerly Bolivian territory around Antofagasta, while Chile could not dispose of any territory in Tacna or Arica which was still in dispute. Now Chile had obtained a clear title to Arica, but with the proviso that it could not be transferred without prior agreement with Peru. The chances that Chile and Peru would both wish to make the transfer at the same time seemed vanishingly small, and so it has been in practice ever since. Bolivia, however, has not ceased her agitation, and the port problem with its ramifications is alive and active today despite the passage of 45 years.

Summary

The accession to power of a strong government in Chile in 1927 opened the way for the resumption of diplomatic relations with Peru and the initiation of negotiations for the settlement of the Tacna-Arica dispute. The basis of the settlement was the division of the provinces as originally proposed by Cornelius Logan in 1883, with Peru regaining Tacna and Chile retaining Arica. To satisfy President Leguía's domestic political requirements, the general terms of the settlement were proposed by President Hoover after complete agreement between the parties had already been reached, but Secretary Stimson balked at having the President recommend a provision which would bar the transfer to Bolivia of any part of the territories in dispute without prior agreement between Chile and Peru.

This clause was bitterly opposed by the Bolivians, and, at Stimson's request, it was eliminated from the treaty. It was, however, incorporated without the knowledge of the United States in a complementary protocol which constituted an integral part of the treaty and in effect virtually eliminated any chance of Bolivia's acquiring a port on the Pacific in full sovereignty.

In a clause added to the treaty, also without prior US approval, the parties agreed that unsolved disagreements between them regarding the interpretation of the treaty's provisions would be settled by the President of the United States. Since the United States never objected, it would appear to be under a moral obligation to heed any request of the parties for interpretation of the treaty, but this obligation is less clear as regards the complementary protocol of which we explicitly disapproved.

Fortunately, no disputes regarding the treaty have arisen, and both sides have benefitted from it. Both have enjoyed a much freer hand in their international relations and have become far less dependent on US good will. The prestige of both has increased in inter-American relations, and Peru has been able to win a large block of disputed territory from Ecuador. But Bolivia's desire for a port remains an unsolved problem in inter-American relations.

Chapter VII

Bolivia: En Route to the Sea?

The Barred Door

The conclusion of the 1929 agreements between Peru and Chile, while great good news to most of the world, was a bitter blow to Bolivia, which had long hoped that the final determination of the ownership of Tacna and Arica would bring with it an opportunity for Bolivia to regain a port on the Pacific. Bolivia's determination not to give up hope was expressed in a circular to all friendly countries issued on August 1, 1929, shortly after the ratification of the boundary treaty and complementary protocol. In the circular the Bolivian Foreign Minister reserved Bolivia's right by every lawful means to press its efforts to obtain a port and to secure the revision of the treaty of 1904.

But Bolivia was in 1929 in no position to exert vigorous pressure on behalf of an outlet on the Pacific. For the moment, Bolivia was facing east. On December 5, 1928 Paraguay had attacked and captured a Bolivian fort in the Chaco, and a few days later Bolivia took a Paraguayan fort in retaliation. Although peacekeeping measures were temporarily successful, serious fighting broke out in 1932 and from then on until the disastrous Chaco War ended in 1938, Bolivia was fully occupied with Paraguayan affairs. Some writers have asserted that a favorable solution to Bolivia's Pacific port problem would have avoided the Chaco War, in which an estimated 60,000 Bolivians and 40,000 Paraguayans lost their lives. This is conceivable but highly speculative.

A visit of President Peñaranda to President Roosevelt in 1943 marked the return of the seaport problem to public attention; Peñaranda discussed Bolivia's aspiration with the President and Secretary Hull, who made no commitments. However, reports of the conversations led the Chilean Foreign Minister to issue a statement that there were no pending territorial questions with Bolivia. The ensuing press uproar in both countries led to an official restatement of their positions. In a memorandum dated September 15, 1943 the Bolivian Foreign Office stated:

- Bolivia recognized the legality of Chile's control over the Pacific Coast in accordance with the applicable international treaties;
- On the other hand, Bolivia maintained her aspiration for a port in her own territory on the Pacific, basing this on political and economic reasons and the requirements of justice;
- Bolivia would strive for a direct understanding with Chile for obtaining a sovereign outlet on the sea without disturbing continental harmony.

The Chilean response showed no softening in the policy which had been set years before:

- The Government of Chile was always prepared to study in a friendly spirit ways of improving the system of transportation and communication for Bolivia across Chilean territory;
- Since in Chile's view these conditions were already satisfactory, Bolivia should initiate the conversations;

-- Chile considered that there were no territorial questions pending, and no possibility for the cession of territory by Chile to Bolivia existed since all such questions had been definitely settled by the treaty of 1904.

Despite this rather hard-nosed attitude, the years following 1943 saw several expressions of good will by high Chilean officials regarding the solution of Bolivia's port problems. President Gabriel González Videla took an especial interest in this problem and on no less than three occasions in 1946 and 1947 expressed to Bolivian officials his desire to achieve a settlement of the port question. Finally, and presumably after informal discussions with the Foreign Minister, the Bolivian Ambassador in Santiago, Alberto Ostria Gutiérrez, on June 1, 1950 addressed a note to the Chilean Foreign Ministry proposing the initiation of formal, direct negotiations to satisfy Bolivia's fundamental need for its own sovereign outlet to the Pacific.

The "Promise" of 1950

The Chilean reply represented the first major change in Chile's position in many a year. The note, dated June 20, 1950 from Foreign Minister Horacio Walker Larraín said, "My government...is ready to enter formally into a direct negotiation designed to find a formula which will make it possible to give Bolivia its own sovereign outlet to the Pacific Ocean and for Chile to obtain compensations of a non-territorial nature in harmony with its real interests...." The note concluded "It remains for me to add that, at the proper time, my government will have to consult that of Peru in compliance with treaties it has signed with that country."

This note* constituted a break-through of giant proportions for Bolivia. Chile's willingness to consider granting Bolivia sovereignty over an area on the sea was a major concession. There remained, of course, the difficult question of "compensations" and the inconvenient fact, mentioned by Sr. Walker, that Peru's agreement would have to be obtained before any such cession was made. Another problem was the fact that surveys made in 1929 showed that there was no place on the coast north of Arica where a satisfactory port could be constructed. And granting a port south of Arica, even if Vitor or some other bay proved satisfactory, would break the continuity of Chilean territory, a situation not likely to prove acceptable in Chile.

Nevertheless, the assurances given by Walker Larraín were repeated textually in an aide memoire of July 10, 1961, left with the Bolivian Foreign Ministry by Manuel Trucco, the Chilean Ambassador. At that time the Chilean Foreign Office was concerned about the efforts of Bolivia to have the port question placed on the agenda of the 11th Inter-American Conference and instructed Trucco to induce the Bolivians to drop this plan. In addition to quoting Walker's note, Trucco's aide memoire said, "Chile is always ready, while preserving the legal situation established by the treaty of 1904, to study, in direct conversation with Bolivia, the possibility of satisfying Bolivia's aspirations and the interests of Chile. Chile will always reject the recourse by Bolivia to organisms

* The text is available only through Bolivian sources; however, Chilean Foreign Minister Carlos Martínez Sotomayor referred to it in a speech on March 28, 1963 without quoting the exact language.

which are not competent to resolve a matter settled by treaty and which can only be modified by direct agreement of the parties." The Trucco memorandum is regarded by Bolivians as a reaffirmation of the "promise" given in 1950.

Whatever may have been the real intent of the Chilean Foreign Ministry in 1950, however, one factor not included in its calculations was premature publicity. As frequently happens, the projects for which secrecy is most essential are the ones which leak first.

A fundamental part of the negotiations proposed in the Walker note of June 1950 was the non-territorial compensation Chile was to receive in return for the port. The nature of the compensation under consideration was revealed by an article in the Chilean periodical Ercilla, which stated that the plan was for Chile to give Bolivia a corridor ten kilometers wide at the north end of its territory (presumably including the Arica-La Paz railroad) in return for which Bolivia would give Chile the right to use the waters of Lakes Titicaca and Poópo for hydroelectric power and irrigation. The article added that a loan for this purpose would be made by the United States.

Actually, the idea of using the waters of Lake Titicaca, the Rio Desaguadero and other bodies of water on the Bolivian plateau for power and irrigation was not new: plans had been drawn up by engineers of various nationalities, mostly Chilean, since 1905. The scheme is regarded as feasible from an engineering viewpoint; the obstacles have been political rather than technical. In 1921 Bolivia adopted the thesis that water should not be diverted from its natural geographical area ("hydrographic

basin") into a different geographical area. This means in practice that water east of the Pacific watershed should not be diverted into the Pacific area by tunnels or other artificial works. This principle was obviously devised to protect Bolivian waters from diversion into Chile and Peru and showed the sensitivity of the Bolivians in their arid plateau to any scheme which might appear to deprive them of this valuable natural resource.

This sensitivity was amply demonstrated by the reaction to the Ercilla article in 1950. It struck Bolivia like a bombshell. In July of that year, one Franz Tamayo published what came to be known as "the 14 points" in which he said he would like to see the Bolivian who would admit to considering the surrender of Lake Titicaca to the Chileans. He conjured up an emotional picture of a Bolivian sheep attempting to drink from the waters of the Sacred Lake and thereby bringing on armed intervention for stealing Chilean water. Or the poor peasant who would be carted off to prison by a Chilean carabinero for daring to use a few buckets of water from the lake on her parched garden patch. Although a few Bolivians pointed out that lyric phrases would not solve international problems, officialdom hastily retreated. Ambassador Ostria Gutiérrez said no agreement whatever had been reached about the lakes nor had one drop of water been promised. This was the situation when President Harry S. Truman walked to the podium to make the inaugural address at the Fourth Meeting of Foreign Ministers of the American Republics in March 1951.

Truman's Speech and Its Echo

The Fourth MFM was convened in Washington primarily to consider problems arising out of the Korean War, but, like virtually all inter-American gatherings since World War II, it had to devote some attention to the problems of economic development with which the Latin members of the OAS were far more concerned than with Korea. Stressing the need for cooperation for economic development, President Truman referred to the possibility of developing the eastern slopes of the Andes and then, departing from his prepared text, he looked out at his audience with a benevolent smile and said, "I like to think of a project about which I talked to the President of Chile, which contemplates the diversion of water from those high mountain lakes between Bolivia and Peru, for making a garden on the coast of South America to the west for Chile and Peru and in return giving Bolivia a sea port on the Pacific. I had a very pleasant conversation with the President of Chile on that subject...."

The Peruvian delegation was somewhat mollified by the State Department's explanation that of course President Truman had meant that any plans for using Titicaca water would have to be mutually agreeable to all the interested parties. President González Videla took to the air on March 29, 1951 and confirmed his conversation with President Truman, pointing out that power and irrigation projects would benefit all three countries. But the fact remained that he had been caught talking with both the Bolivians and the American President about matters in which Peru was vitally interested without consulting Peru. The point was brought home and rubbed in by the statement released by Peruvian President General Manuel Odria March 30:

- The Government of Peru had not been informed of any proposal to provide Bolivia with an outlet to the sea and consequently considered that the statements of Presidents Truman and González Videla represented only their personal views.
- The frontiers of Peru and Chile were fixed by the treaty of 1929 and accompanying protocol, and no change could be made in them without Peruvian participation and consent.
- The waters of Lake Titicaca belonged in condominium to Peru and Bolivia, and their disposition and use was exclusively up to those two countries.

It is probable that the port-for-water project was already dead after Ercilla revealed its outlines, but President Truman's reference to it and the Bolivian and Peruvian reactions buried it deeper still. When Bolivia approached the Ibáñez administration in 1953 about reviving the discussions, both the President and the Foreign Minister thought it better to await a more propitious time when negotiations could be conducted on a confidential basis and avoid the premature publicity which had ruined the 1950 discussions.

The Lauca River Dispute

However unsuccessful they may have been, the 1950 negotiations implanted in Bolivia the idea that their water resources were a valuable asset which might be used to gain for Bolivia the much-desired port on the Pacific or, at the least, better facilities at Arica than they currently enjoyed. An opportunity to exploit this concept was perceived in Chilean plans to use for irrigation the waters of the Lauca River.

The Río Lauca is a small river which arises in the high mountainous country of northeastern Chile and wanders across the national boundary into Bolivia where it loses itself in the marshes of Lake Coipasa. In June 1939, Chilean President Pedro Aguirre Cerda announced his government's intention to divert the waters of the Río Lauca before they entered Bolivia to irrigate the potentially fertile Azapa valley near Arica. The water thus diverted would cross the watershed through a tunnel and enter the Pacific hydrographic basin. This announcement was picked up through the press by the Bolivian government which promptly protested the proposed diversion, basing the protest on Declaration LXXII of the Seventh International Conference of American States at Montevideo in 1933. This declaration provided that a state planning works on an international river should inform other riparian or cojurisdictional states and provide sufficient technical data to enable the scope of the works to be evaluated. If within three months the other party indicated disagreement, a Mixed Technical Commission was to be formed "to pass judgment on the case," and if the interested parties still were unable to reach agreement, procedures of peaceful settlement were to be resorted to: first conciliation, and then, if necessary, arbitration.

As it happened, neither Chile nor Bolivia followed the provisions of Declaration LXXII exactly. The Chileans did not inform Bolivia officially of their intentions--the Bolivians learned of Aguirre Cerda's statement through the press. In response to a Bolivian protest invoking Declaration LXXII of Montevideo, Chile replied that the proposed works would not damage Bolivia. Bolivia allowed eight years to pass before raising the

matter again. In August 1949 a Mixed Technical Commission inspected the plans and the site and concluded that 46.7 percent of the water of the river would be diverted from its normal channel. The Commission concluded its report with the following sibylline statement:

The lack of technical details has given rise to a difference of views regarding the effects of the project. With the foregoing conclusions and clarifications made during the meetings held, the fundamental characteristics of the work in its international relationship have been established which are in agreement with the project presented.

The first sentence was subsequently used by the Bolivians to prove that inadequate information had been presented while the Chileans quoted the second sentence as evidence that no objections to the project had been raised. The Chileans sought to clinch this latter point by addressing a note to the Bolivian Foreign Office on December 3, 1949 stating that, with the Mixed Commission's report, the procedures of Declaration LXXII of the Seventh Inter-American Conference had been complied with and that since the 90 days specified in Article 8 thereof had passed, the Government of Chile assumed that Bolivia had no objections and that the work could begin without further delay. Actually, the 90-day period mentioned in Article 8 referred to a different stage in the procedure, but the Bolivians greatly weakened their case by failing to contest the Chilean statement for four whole years.

In December 1953 work on the project actually commenced, and the Bolivian Foreign Office belatedly pointed out that no agreement had ever been reached. The Chileans replied on March 10, 1954 defending the view that Declaration LXXII had been complied with, and there the matter rested until 1958, when Bolivia insisted sharply that work on the project be stopped until an agreement between the two governments had been reached.

Another technical commission reviewed the project in 1960 but the Bolivian members refused to include a statement that Bolivia would suffer no damage as a result of the diversion. Bolivia urged that work be suspended pending an agreement and, according to Chilean sources, orally suggested linking discussions of the Lauca River project with negotiations designed to obtain an outlet for Bolivia under its own sovereignty on the Pacific. Although an offer of direct negotiations on the port question had been made by the Chilean Ambassador in La Paz in July 1961 (see page 80), the linking of the two questions was sharply rejected in February 1962 by the Chilean Foreign Minister, Carlos Martínez Sotomayor. It was apparently at this time that the Bolivians began seriously using the Lauca River dispute as leverage to pry concessions on the port question from Chile. From this time on the issue was pursued with great vigor.

The Bolivian Foreign Ministry in March 1962 informed the Chileans that if Chile went ahead and diverted the waters of the Lauca, Bolivia would consider it an act of aggression; this statement became known to the public and raised a frenzy of nationalistic and anti-Chilean feeling in Bolivia. When Chile refused the desired assurance the Bolivians announced that direct negotiations had become impossible and on April 13, 1962 sent a statement of Bolivia's case to the Chairman of the Council of the OAS for circulation among the members. This so enraged President Jorge Alessandri of Chile that he ordered the dam closed and the diversion of water commenced. On April 17 Bolivia informed the Council that "the aggression had been consummated" and requested a Meeting of Consultation under Article 6 of the Rio Treaty. On the same day diplomatic relations with Chile were broken.

Both parties sent teams of top-flight diplomats to Washington to present their cases, which were the subject of extended hearings by the OAS Council. The Chileans were incensed at being placed in the seat of the accused, and their representatives sometime yielded to the temptation to use sarcasm as a weapon.

The Bolivian case was essentially weak: the subject of the dispute placed it rather clearly below the level for which the Rio Treaty had been designed; if this case were accepted, where would it be possible to draw the line? Arguments regarding the procedures set out in Declaration LXXII carried but little weight since neither side had followed them precisely and Chile appeared to have gone quite a way toward complying with the spirit of the declaration--at least after attention had been called to it. The long periods that elapsed when Bolivia appeared to have dropped the matter cast doubts on the importance originally attached to the problem, and Chileans suspected that the suddenly intense concern now being exhibited might have at its root a desire to divert attention from domestic political situations as well as to extract concessions from Chile on the question of access to the sea. Finally, the Chileans repeatedly offered to refer the case to the International Court of Justice for definitive settlement.

The Council probably had ample grounds for rejecting the Bolivian request, but instead it elected diplomatic temporization which, in the end, satisfied neither party and, far worse, did not result in a peaceful settlement of the dispute. On May 24, 1962, the Council adopted a resolution which pointed out that both states recognized the applicability

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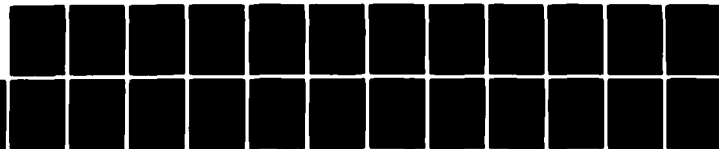
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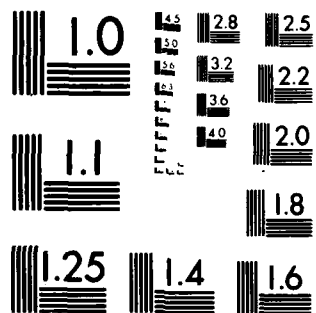
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of Resolution LXXII and that the Charter provided that states unable to settle their differences through the usual diplomatic channels should agree on some other peaceful procedure that would enable them to reach a solution. The resolution expressed the hope that diplomatic relations might be restored as soon as possible and made "a friendly plea" to the Government of Bolivia to resort to one of the means for pacific settlement of disputes provided for in the Inter-American system. The Council also made a friendly plea to the Government of Chile to continue cooperating toward finding the pacific means that held the best possibility of settling the dispute promptly, and it offered both governments its services under the terms of the Pact of Bogotá in connection with procedures for pacific settlement.

For the press, both sides claimed an overwhelming victory--Chile because the Council had not agreed to Bolivia's request to convene the Organ of Consultation, and Bolivia because the Council had not exonerated Chile from the charge of aggression. On May 28 in a note to the Chairman of the Council, Bolivia announced its intention to resort to mediation under the Pact of Bogotá and even named five countries as proposed mediators; it withheld action on the resumption of diplomatic relations, however. The Chilean reply characterized the Council's Resolution as "timid" and criticized it for not deciding directly the question for which the Council had been convened (i.e., applicability of the Rio Treaty) and for failing to specify the type of pacific settlement which should be used. The note concluded by repeating Chile's offer to refer the matter to the ICJ or, alternatively, to arbitration in law. And so the matter stood, with both parties insisting on their willingness to use peaceful solutions and each insisting on its own type of procedure.

A new element was introduced, however, when the Bolivian Ambassador to the OAS, Emilio Sarmiento, by note on July 3, 1962, requested Council Chairman Alberto Zuleta Angel to make Chile comply with the provisions of the resolution of May 24, the second operative paragraph of which, in Bolivia's view, gave Bolivia the option of selecting the type of peaceful procedure to be followed. While admitting that the dispute had legal aspects, he said the diversion of water by Chile had created a political question which transcended the faculties of any purely legal organism; if Chile would stop using the waters of the Lauca, then Bolivia would agree to judicial arbitral settlement. This view was rejected by Walter Mueller, the Chilean representative, who pointed out that Article 22 of the Charter stated that parties to a dispute should agree on the procedure to be followed. On August 9 Ambassador Sarmiento formally requested the Council Chairman to obtain compliance with the May 24 resolution, and, when no action was taken, on September 3 Bolivia announced that it would cease to attend meetings of the Council and other OAS bodies in the hope that the other nations of America would be reminded by the vacant seat that Bolivia was still awaiting a just solution to the Lauca problem.

Subsequent efforts to solve this impasse outside the Council of the OAS have been equally fruitless. In 1963 Gonzalo Facio, Chairman of the Council but acting in his private capacity, attempted to induce Bolivia and Chile to resume diplomatic relations, but this effort failed when Bolivia conditioned re-establishment of relations on Chile's agreement to discuss the question of Bolivia's outlet to the sea, a clear indication

of Bolivia's real objective during the latter stages of the controversy. An even more forthright statement was made to the press on June 18, 1964 by former Foreign Minister José Fellman Velarde, then Minister of Interior. He was quoted as saying, "...with the consummation of the Río Lauca incident by Chile, our patriotic obligation, naturally, is to defend the Lauca since it is an instrument of negotiation for the seaport question and to insist continually in all forums upon a solution for our port problem." Bolivia returned to her seat on the Council at the time of the Cuban missile crisis in October 1962 but walked out again after the failure of the Facio mission. Bolivia returned a second time after the change of administration in 1964, but in 1967 President René Barrientos refused to attend the Meeting of Heads of State at Punta del Este, Uruguay, unless the question of Bolivia's access to the sea were placed on the agenda. Diplomatic relations remain in suspense; hence, Bolivia lacks the normal channels for the discussion of mutual problems with Chile. Once again Bolivia appears to have ended up in a worse position than before--without a port, without a portion of Lauca's water and without regular contact with the only power in position to alleviate the situation. At least a part of this miscalculation appears to have occurred because of internal political conditions.

The Port Problem and Bolivian Politics

Chilean writers and political analysts frequently attribute all Bolivian agitation for a port under its own sovereignty to domestic political situations. To cite but one example, Jaime Eyzaguirre, in a book published in 1963 said that Bolivian history had from the beginning

been marked by despotism, assassination, the intrigues of caudillos and the rivalry of regimes which have at times called in question Bolivia's survival as a state. He continues, "It is not strange that a people, torn by periodic convulsions, in which racial heterogeneity, regionalism and the lack of political continuity conspire against its existence, should seek an ideal or unifying myth. If in Spain of the Reconquest devotion to the apostle Santiago was able to save the inhabitants from disintegrating individualism,...so in Bolivia hate for Chile serves as an antidote to dangerous and rending internal disunion. From primary school it is painstakingly inculcated, and it is continuously cultivated through books, the press, the radio and the parliament. When the country passes through a parenthesis of stability, anti-Chilean sentiment is dormant and appears almost extinguished. But then, when a moment of crisis approaches, when the government fears for its fate, the passion emerges with renewed fury."

Bolivian political history lends some credence to Sr. Eyzaquirre's view. Developments under the MNR regime which came to power in 1952 provide a recent example. Prior to seizing control, the principal MNR leader, Víctor Paz Estenssoro, was in exile in Montevideo. While there, he was informed of the 1950 negotiations with Chile to exchange fresh for salt water. In correspondence published in 1964 by political enemies, Paz is said to have replied, "For us, the problem of a sea port does not figure among the first rank of problems facing Bolivia. The affirmation which is often made that our underdevelopment is due mainly to the lack of an outlet to the sea is both sterile and misleading since it seeks to divert public attention from the true causes of Bolivia's stagnation...."

The MNR generally followed this line during its early years in power. It devoted its attention to the problem of revolutionary social change, promulgating far-reaching agrarian reform laws and nationalizing the mines of the tin barons. On the other hand, work on the Río Lauca diversion continued from 1954 to 1958 without protest or comment by Bolivia.

By 1960, when Paz began his second term as president, the situation had changed. The MNR was splitting up; labor support was ebbing away; the economy was in disastrous shape with the nationalized tin mines costing more to operate than they brought in. In 1961 Bolivia requested that the question of a port be placed on the agenda of the 11th Inter-American Conference and in the same year proposed to Chile linking the Lauca case with the port question. From there on Bolivia fought the Lauca case with great vigor. In addition to summoning Chile before the OAS--an ill-advised move but one which generated much publicity and patriotic oratory--the Bolivian government instituted the annual celebration of a "Week of the Sea" commemorating the defense of Calama [far from the sea] by a Bolivian hero, Eduardo Abaroa, who was killed resisting the Chilean invasion in 1879. The 1963 Semana del Mar turned into a violently anti-Chilean exercise in which government officials helped whip up the crowds. After the fall of Paz Estenssoro in 1964, in contrast, the celebration was considerably toned down.

Although there are many indications that the port and related Lauca River controversies wax and wane as local political considerations dictate, nevertheless they could hardly achieve such popular resonance unless there

was considerable interest in and concern with the problem. One need only look at the record to find reasons for anti-Chilean sentiments: the excuse on which Chile invaded the Bolivian coastal province in 1879 was trivial and amounted to imperialism at its naked worst, and Chilean dealings with Bolivia were marked at times by paternalistic condescension and at others by haughty contempt. Chilean policy towards Bolivia has, in fact, been characterized by the same faults usually ascribed to the United States in its relations with Latin America. A change of attitude on both sides is necessary if a mutually satisfactory solution is to be reached.

Strain in relations with Chile has diminished since the disappearance of Allende, and it is understood that President Oscar Banzer Suárez has appointed a group of elder statesmen to review the port problem and map out what Bolivian objectives should be. If this is conscientiously done, it should provide a basis from which either Banzer or a successor could move to work out a viable solution. But it will require a strong government in Bolivia to resist the pressures which are sure to be brought against any compromise settlement.

Summary

Although the treaty between Chile and Peru settling the Tacna-Arica controversy seemed to have slammed the door on Bolivia's aspiration for a Pacific port, around 1950 discussions were initiated based on the idea of exchanging an ocean port for fresh water from the Altiplano for irrigation and power. At this time Chile went rather far in committing

itself to a sovereign port for Bolivia. Unhappily, the news leaked to the press and the resulting uproar in both Peru and Bolivia had probably killed the project even before President Truman referred to it in his speech opening the Fourth Meeting of Foreign Ministers in 1951.

Meanwhile, Chile had been planning the construction of works to divert the water of the Lauca River in Chilean territory for irrigation purposes near Arica. This would substantially reduce the volume of water crossing the frontier into Bolivia although the two countries disagreed in evaluating the practical effects of the reduction. Around 1961 the Bolivian authorities, who had been quite lax in pursuing the controversy, apparently decided to use it as a lever to obtain a port, a proposal firmly rejected by Chile. When negotiations broke down in 1962 Bolivia charged Chile with aggression before the Organization of American States and suspended diplomatic relations. Chile in retaliation commenced diverting the water. The OAS failed to solve the dispute, and it continues to the present impeding a constructive approach to the port problem.

Although there is evidence to support the Chilean view that Bolivian politicians use the port and Lauca River controversies to drum up popular support, Bolivia has many legitimate grievances against Chile which might be soothed by a more sympathetic approach by Chile. Meanwhile, the Bolivian Government is reported to be conducting a study to determine what Bolivia's real interests are; this may herald a new approach to the problem in the future.

Chapter VIII

A Few Observations

History does not repeat itself, and serious errors can be made by drawing too close an analogy between past events and current situations. On the other hand, man's ability to learn from experience makes civilization possible. A review of the events which followed the War of the Pacific would be a sterile exercise were it not possible to draw from it certain conclusions which may have a degree of pertinence to problems which exist or which may come into being in the foreseeable future. In the preface I expressed the hope that this study might be of assistance to those who are dealing with the problems of inter-American relations at the present time. The following paragraphs are designed to emphasize the connections between today's problem and those which have been styled, "The Legacy of the War of the Pacific."

Tacna-Arica

1. US efforts first to bring hostilities to an end and then to prevent territorial cessions as part of the peace settlement were unsuccessful because the United States failed to accord proper weight to the relative military strength of the contending countries and to consider the leverage which would be required to bring about the kind of settlement we preferred. The result of these miscalculations was the prolongation of the war and the deterioration of our prestige and influence in the area.

2. Repeatedly through the duration of the Tacna-Arica dispute each contending party attempted to use the United States as a lever to pry concessions from the other. US mediation was frequently an obstacle to achieving a settlement since both sides expected the US Government to pull their chestnuts from the fire. Successful agreements were achieved only when the parties negotiated face to face.
3. As Peru was the weaker party, the United States usually attempted to bolster Peru's position, to preserve its existence as a state and to maintain to the extent possible its territorial integrity. Solution of the dispute led to an improvement in US-Chilean relations. But it also left both Chile and Peru freer to adopt strongly nationalistic policies in their dealings with the United States.
4. The eventual settlement became possible because of gradual changes in the situation rather than because of the conscious efforts of the United States or of the parties themselves. Among these gradual changes were the redirection of commerce after the opening of the Panama Canal, the Chilean desire for improved trade relations with Peru, the need of Chile to rid herself of the Tacna-Arica problem in order to play a larger role in inter-American affairs, and the collapse of Chile's nitrate boom after World War I, which made economies in governmental expenditures, especially for the military, an urgent requirement.

5. In the final Tacna-Arica settlement, the United States played a passive role somewhat like that of a ventriloquist's dummy, echoing back to the parties proposals on which they had already reached agreement. The one point to which the US Government took objection was slipped back into the agreement behind its back. Though designed to help the Peruvian Government meet the adverse public opinion, the cloak was transparent and fooled no one. Nevertheless, US cooperation was an indispensable condition for the Peruvian President's agreement and so served a useful purpose.
6. Another clause added to the treaty without US knowledge (Article 12) provided that disagreements about the interpretation of the treaty's provisions which the parties were unable to resolve would be settled by the President of the United States. Although there is no legal obligation to accept this assignment, the fact that the general terms of the agreement were ostensibly proposed by President Hoover, the satisfaction expressed by the US Government at the conclusion of this long-standing dispute and failure ever to reject the responsibility constitute a strong moral obligation to interpret the terms of the treaty on request.
7. A special situation prevails in regard to the Complementary Protocol which was signed with the treaty and which forms an integral part of it. The first article of the protocol prohibits the transfer of any part of the territory subject to the treaty (Tacna and Arica) to any third power without agreement between

the signatories. This clause was proposed by Chile as a means of fending off Bolivia's desire to acquire Arica as a port under its own sovereignty and was excluded from President Hoover's recommendation at the instance of Secretary of State Stimson, who did not wish to prejudice Bolivia's interests. The moral obligation to interpret any part of the protocol would appear to be considerably less than that pertaining to the treaty proper; should a request be made for an interpretation of this clause particularly, the United States would seem to have good reasons for refusing if it so desired.

8. One point not covered by Article 12 is the contingency that, besides disagreeing about the interpretation of the treaty's provisions, the parties should also disagree on referring the matter for settlement by the President. It is possible to imagine that one party might wish to refer a disputed point to the President while the other might prefer to continue bilateral negotiations. In the prolonged discussion regarding the powers of the Inter-American Peace Committee (1965-66), Peru consistently held that the Committee could not take up any dispute unless both or all parties agreed to accept its intervention. This position was based on general principles rather than on any specific provision in the resolution creating the Committee. Whatever the legalities may be, it would not seem appropriate for the President to issue an interpretation of the treaty without reasonable assurances that his decision would be accepted by both sides.

9. Happily, the 1929 treaty and its protocol were clearly drafted, there was a full meeting of the minds at the time, the provisions were in their important aspects carried out promptly, and no dispute regarding the interpretation of the clauses of the treaty has arisen. It seems unlikely that any disputed points will emerge at this late date. The US obligation under the 1929 treaty is limited to the interpretation of the meaning of the treaty's provisions; it does not extend to the mediation of disputes which may occur between Chile and Peru on other matters related to their common boundary. Other procedures have been developed in the Inter-American system since 1929 which have more currency than the reference of disputes to heads of third states. It is more likely that, if difficulties arise between Chile and Peru which they cannot solve themselves and for which a solution is urgent, they will be dealt with through the mechanisms established by the Inter-American Treaty of Reciprocal Assistance (the Rio Treaty of 1947) or under the Charter of the OAS as amended in 1967. Without attempting to prejudge the circumstances in which such a dispute might arise, it appears preferable as a general rule to operate in the multilateral context of inter-American agreements rather than for the United States to assume sole responsibility for attempting to deal with a situation in which its past failures have far exceeded its successes.

Bolivia and the Port Problem

1. Bolivian publicists and, occasionally, government officials frequently assert or imply that the 1904 treaty by which Bolivia finally surrendered her coastal province to Chile is invalid because it was "imposed" on Bolivia while under occupation. For example, President Víctor Paz Estenssoro, addressing the UN General Assembly in October 1963 said that Bolivia "was despoiled of a large and rich coastal territory by a treaty imposed by occupation after a war she did not provoke." The "occupation" apparently referred to the coastal province since Bolivia itself was not occupied either in 1904 or at any other time.

The fact is that the treaty was signed in anticipation of certain benefits which Chile proposed to provide and which in the main have been delivered. The Government of Bolivia has repeatedly recognized the legal validity of the 1904 treaty while protesting against its terms and striving to regain a foothold on the Pacific.

2. Bolivia's claims to being strangled and economically depressed by not having a port under its own sovereignty are more psychological and political than real. Bolivia suffers from its difficulty of access; transportation costs are high, but this situation would not be changed if Bolivia had a port of its own. The Andes would still be there.

Chile has shown itself reasonably accommodating in redressing complaints raised by Bolivia about the handling of its merchandise in Arica and Antofagasta. The provisions of the 1904 treaty have been broadened for Bolivia's benefit. Chile has faced serious competition from Peruvian ports in serving Bolivia, and lack of traffic at Arica has had a deterrent effect on the modernization of the port. However, Bolivian dissatisfaction comes from the very fact of being dependent on foreign countries for her overseas commerce--a feeling of dependency which is galling to the Bolivian spirit.*

3. The United States has generally favored any proposed arrangement agreeable to all parties for giving Bolivia a port of her own. As examples may be cited Secretary Kellogg's proposal of November 30, 1926 that both Tacna and Arica be turned over to Bolivia entire; Secretary Stimson's refusal to be associated in any way with the provision in the 1929 agreements between Chile and Peru which required mutual consent before ceding any portion of Tacna or Arica to Bolivia; and President Truman's speech to the Foreign Ministers in March 1951.
4. The clause in the Complementary Protocol forbidding transfers of territory except by mutual agreement does, as feared at the time, constitute a serious obstacle to Bolivia's acquisition of a port. Difficult as it would be to persuade either Chile or Peru to

* The current status of Arica as a "free port" is described in the appendix.

part with any territory, the task of lining them both up at once appears insurmountable in present circumstances.

5. The question of regaining a foothold on the Pacific has been an important issue in Bolivian domestic politics ever since the treaty of 1904 was signed. Chileans allege that there is a great temptation for weak governments to play up this issue in an effort to consolidate popular support, and there is considerable evidence that in private Bolivian politicians accord the problem less weight than they frequently do in their public addresses. The contrast between Paz Estenssoro's private correspondence and his address to the UNGA is quite marked in this respect, though it is only fair to note that about 14 years had passed and many events occurred between the two statements. Unfortunately, grandstand gestures tend to escalate, and positions once adopted are hard to draw back from. The rupture of diplomatic relations with Chile in 1962 was a gesture of defiance, but 12 years later relations are still broken and possibly useful discussions on improvements at Arica of benefit to Bolivia are hampered. The resumption of diplomatic relations, as recommended by the OAS Council, would appear to be a desirable step to facilitate agreement on other points at issue.

6. The Lauca River episode is an example of the interplay between the port issue and domestic politics. Bolivia's attitude toward the Chilean diversion of waters--all in Chilean territory--appeared to be one of only occasional concern. Then, suddenly when the Paz Estenssoro government was in political trouble, it was brought forward and an attempt was made to use it as a lever in negotiations for a port. It was far too slender a reed to bear so great a weight. By delay and lack of a show of interest Bolivia had encouraged the Chileans to invest large sums in the diversionary works; by 1961-62, Chile could not afford to delay for long putting them into service.

The Bolivian argument that Chile was obliged to await Bolivia's approval before commencing the project was hardly realistic, since, as the Chileans pointed out, this would give Bolivia unlimited power to extract disproportionate compensation or to block the project indefinitely. Bolivia's "right" to compensatory concessions and Chile's "right" to use Chilean water on Chilean soil have to be compromised.

Twelve years have now passed since President Jorge Alessandri ordered the valves opened and the diversion of water to begin. An international investigating committee under OAS auspices should be able to determine what damage if any Bolivia has actually suffered. This could be tied in with the Bolivian

proposal for a mediatory group. Chile's insistence on arbitration in law could be a second stage provided the first stage failed to produce an acceptable solution. Safeguards against stalling could be built in. If the petty Lauca issue could be pushed aside, the reasons for suspending diplomatic relations would also disappear, and talks for improving transit procedures at Chilean ports would be facilitated.

7. The port question has been alternately acute and chronic for a long time now, and there are signs that a new approach to the problem may be under consideration in Bolivia. As to solutions, it may be premised that the idea of constructing a port for Bolivia at some point between Arica and Peruvian territory is not feasible, with or without a corridor leading to it. The intensive engineering surveys of 1929 indicate there is no adequate location for a port in that area, and besides there is not enough traffic to justify the enormous expense that would be involved. On the other hand, there seems to be little chance that Bolivia will acquire Arica in full sovereignty or that Chile and Peru will agree to the cession of a corridor containing the Arica-La Paz railroad. Hence the solution to the port problem, if it has a solution, would appear to lie either in an improvement in the system for handling Bolivian merchandise so that objections to port operations will gradually diminish or in working out a kind of leasehold for Bolivia similar to that suggested by the

State Department in 1926. This would include a dock at Arica, the railroad with station and yards, a customhouse and, perhaps a Bolivian consulate over which the Bolivian flag could be flown. The whole complex would be under Bolivian control, but touchy words like "sovereignty" and "jurisdiction" should be avoided in favor of "management" and "operation." The Peruvians should, of course, be kept fully informed from the beginning. Obviously, many difficult details would have to be worked out, but if a satisfactory solution could be found, it might be possible to liquidate at last the legacy of the War of the Pacific.

APPENDIX

THE "FREE PORT" OF ARICA

The status of Arica as a free port has sometimes been misconstrued in part at least because the term "free port" is loosely used in different senses. Arica is a "free port" in two distinct ways: it is a free transit zone for the shipment of cargo to and from Peru and Bolivia, and it is a special customs area for the importation of goods into Chile.

Free Transit Zone. The use of Arica as a port for shipments to and from Bolivia and Peru is regulated by treaty and hence not subject to unilateral change by Chile. The peace treaty between Bolivia and Chile signed October 20, 1904 provided that Chile would grant to Bolivia "in perpetuity the most complete and free right of commercial transit in its territory and its Pacific ports." The treaty further gave Bolivia the privilege of establishing customs agencies at Arica and Antofagasta. These provisions have been subject to certain clarifications with the passage of time. In 1937 Chile agreed to allow free transit for the shipment of arms as well as purely commercial shipments, and in 1953 specifically renounced the power of Chilean courts to block the free movement of Bolivian imports and exports. Bolivian shipments are, however, subject to the same port charges as any other shipment, and there have been complaints that the charges at Arica are unreasonably high, the service poor and the pilferage outrageous.

A similar arrangement was made with Peru in the 1929 Treaty which determined the status of Tacna and Arica. Since Arica had served as the port for Tacna and its surroundings, provision was made for "the most absolute free transit of persons, merchandise and armaments" across Chilean territory to or from Peru. This arrangement is still in effect.

Special Customs Area

An entirely different situation prevails as regards the use of Arica as a "free port" for the admission of goods into Chilean territory. This status depends entirely on Chilean domestic law and regulation and is subject to change; there have in fact been several changes in the customs regime at Arica since it began to function as a "free port." Arica was declared a free customs zone by Decree-Law 303 of July 25, 1953. The purpose of this law was to stimulate the development of Chile's northern frontier zone, one of the least developed in Chile, and it provided for the importation free of duty or consular invoice charges of all merchandise for re-export or consumption in the Department of Arica; foreign merchandise shipped into Chile proper was to pay regular Chilean duties. New industries established in the free zone were to be exempt from property and profits taxes for 15 years.

This law resulted in a flood of luxury items into Arica, most of which were subsequently smuggled into Chile proper. The law has been amended several times with a view to controlling smuggling and stimulating industry. Some light industry has been established, mostly assembly plants for automobiles and items either prohibited from direct import into Chile or admitted only after paying exorbitant taxes. However, the

distance of Arica from substantial markets, the shortage of labor and the absence of local raw materials have inhibited the development of substantial industrial undertakings.

According to the latest information available to the Department of Commerce,* Arica and adjacent areas still enjoy special customs privileges, but these have been substantially reduced since the inception of the "free port" idea. At present:

- Merchandise prohibited from importation into Chile may be imported into Arica for use within the province of Tarapacá on payment of full duties plus 200 percent of the CIF value;
- Merchandise the importation of which into Chile is permitted may be imported through Arica on payment of full duties but without prior import deposit requirements;
- Duties are waived completely on foodstuffs, construction materials, machinery, trucks, fuel, raw materials and materials used for the establishment and operation of local industry;
- Goods processed or assembled in Arica may qualify for a 75 percent reduction in duties on shipment into Chile if the item is not produced in Chile, or for a 50 percent reduction if production is inadequate, as certified in either case by the Ministry of Economy.

From the foregoing it may be concluded that:

- the word "free" as applied to the port of Arica and its perimeter is too broad; a more accurate description would be that it constitutes a "special customs area."

* US Department of Commerce, Free Trade Zones and Related Facilities Abroad. Washington, D. C. 1970.

- the special customs regime is not new; it has existed since 1953.
- during that period both domestic and foreign entrepreneurs have been free to and in fact have established light industrial plants of various kinds.
- Arica's geographical location and the lack of human and natural resources have to date prevented the vigorous economic development desired by the Chilean authorities.
- products manufactured in Arica would presumably be considered Chilean for purposes of entry into other members of the Andean Pact. It remains to be seen whether this advantage will be sufficient to stimulate additional activity in Arica.
- Arica's status as a special customs area has no legal connection with the free transit of all types of shipments to and from Peru and Bolivia. Free transit is guaranteed to Peru and Bolivia by treaty; Arica's special customs regime is a domestic Chilean matter and changes at fairly frequent intervals.

Note on Sources

This paper has been compiled exclusively on the basis of unclassified and unrestricted sources, of which the most useful and frequently used was Foreign Relations of the United States in its various volumes commencing with 1879. A special government publication, Papers Relating to the War in South America and Attempts to Bring About a Peace (GPO Washington, 1882) is devoted exclusively to the period 1879-1881. Limited use was made of League of Nations and Organization of American States documentation when appropriate. William Jefferson Dennis' Documentary History of the Tacna-Arica Dispute (Iowa City, 1927) is a convenient reference up to the date of its publication.

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