

## Stalemate in the Atacama

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### Introduction

Situated on the central-west coast of South America, the Atacama Desert is one of the most remote and inhospitable areas in the world. Despite its location, this arid, sparsely inhabited region has been at the heart of the conflicting geopolitical ambitions of Bolivia, Chile, and Peru for almost two centuries. The contemporary dispute originated during the independence epoch when the exact borders of most of the newly-proclaimed republics of South America were a subject of acrimonious debate. The Spanish government had made little effort to carefully delimit the boundaries of its colonial possessions since most of them lay in distant lands of minimal importance to the crown. With the establishment of independent republics, boundary issues assumed a far greater importance because they involved questions of territorial possession which did not exist when the entire area belonged to Spain. The dispute in the Atacama Desert remains one of the most involved and intractable in the world, and it is an ongoing threat to peace and security along the Pacific coast of South America.

### Historic Context

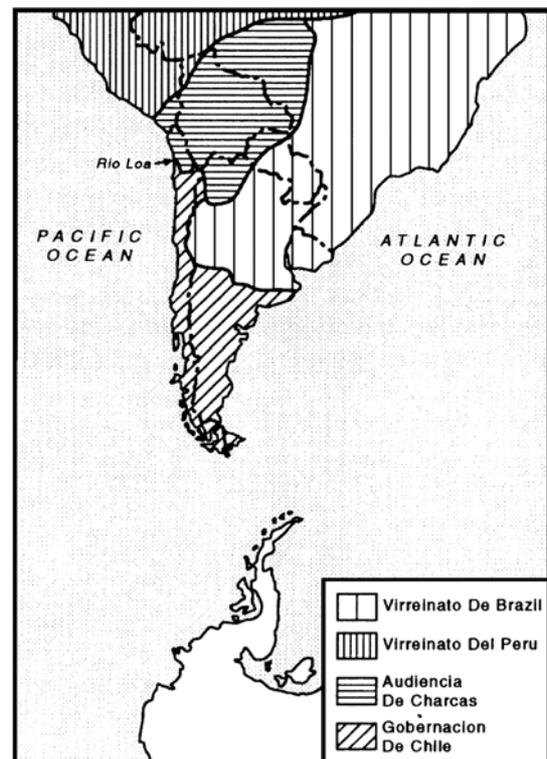
The Bolivian government in 1825 claimed some 560km of the Pacific coast of central South America. In support of this claim, Bolivia argued that its frontiers were similar to those of the Audiencia of Charcas whose southern limits were placed by colonial maps variously along the Salado River or the Copiapó River. The Chilean government at this point did not advocate a specific boundary line with its 1833 constitution simply claiming a territory from the Atacama Desert in the north to Cape Horn in the south. Faced with such ambiguities, the mouth of the Salado River appears to have been the most commonly accepted southern boundary for Bolivia with the most realistic

limit of effective Chilean settlement being the valley of the Copiapó River. To the north, the frontier between Bolivia and Peru was generally accepted to be the Loa River although the Peruvian

government had claimed the coast as far south as Tocopilla. More precise boundary definitions were judged both unnecessary and impossible at the time given the prevailing ignorance of the actual terrain (Fifer, 1972: 32-36).

Bolivian claims from the outset were complicated by the fact that the area between the Loa and Salado Rivers did not offer a commercially viable seaport. Simon Bolívar had initially designated Cobija, a small port and former minor customs control point for the Potosi silver trade, as Bolivia's Pacific seaport. The Bolivian government almost immediately judged Cobija inadequate on the grounds it was distant from the altiplano and far removed from traditional routes of commerce which ran through Peruvian territory

### Perú (Low Perú), the Audiencia de Charcas or Bolivia (High Perú) and Chile in 1826



Source: Gangas Geisse & Santis Arenas, 1994

to the port of Arica. In the belief that an alternate port facility was essential to the economic development of Bolivia, influential Bolivians soon initiated the first of numerous attempts to secure the transfer to Bolivia of the Peruvian-owned port at Arica. Their efforts promised early results when the Peruvian government in late 1826 ceded to Bolivia the Pacific littoral south of the Sama Valley from the 18th to the 21st parallels and including the port at Arica. The Peruvian congress later refused to ratify the agreement thus frustrating this early Bolivian attempt to secure Arica (Wagner de Reyna, I, 1964: 72).

The character and content of the dispute in the Atacama changed considerably over time; and this evolution impacted negatively on attempts at resolution. In the beginning, it was chiefly a boundary question not unlike the myriad of other such issues pending throughout Latin America. After 1842, when guano, sodium nitrate, and other minerals were discovered in the contested zone, questions of regional hegemony and economic development complicated the boundary issues, and in the process, clearly separated the dispute from related problems elsewhere in Latin America. In consequence, all three disputants eventually abandoned as unsustainable their *de jure* claims and focused increasingly on the *de facto* arguments of possession, occupation, and development. The resulting competition and conflict in the region eventually led to an outbreak of hostilities in 1879 aptly termed the War of the Pacific.

#### Aftermath of the War of the Pacific

The Treaty of Ancón, concluded in October 1883, reestablished peace along the west coast of South America. In the treaty, the Peruvian government ceded to Chile unconditionally and in perpetuity its littoral province of Tarapacá, the location of most of its valuable nitrate holdings. Peru also accepted Chilean occupation of the provinces of Tacna and Arica for 10 years after which time a plebiscite was to be held to decide their permanent ownership. Unfortunately, the terms of the plebiscite were not detailed, an omission which contributed to abortive efforts, stretching over four decades, to conduct the plebiscite. The signatories held differing interpretations as to the significance of the plebiscitary article, but most Peruvians felt it effectively dashed Bolivian hopes to obtain Arica. Neither Tacna nor Arica contained guano or nitrate holdings of significant value compared to

the deposits further south, but the loss of Tarapacá imposed on every Peruvian government after 1883 the responsibility to regain at least Tacna and Arica. Chilean acquisition of Tarapacá, in turn, effectively precluded Bolivia regaining its littoral as Chile could not be expected to give Bolivia territory which would separate Tarapacá from the rest of Chile.

Representatives of Bolivia and Chile concluded a formal truce agreement in April 1884 which provided for Chilean occupation of the Bolivian littoral pending conclusion of a treaty of peace. The pact also provided for the mutual return of sequestered Chilean and Bolivian property, and the Bolivian government agreed to pay Chile an indemnity for war-related damages. While the agreement restored commercial relations, two decades passed before Chile and Bolivia finally concluded a treaty of peace, friendship, and commerce. In the 1904 settlement, Bolivia ceded to Chile in perpetuity the former Bolivian littoral, including the ports of Mejillones, Cobija, Tocopilla, and Antofagasta. In return, the Chilean government guaranteed Bolivia commercial transit rights through Chile together with facilities at selected Chilean ports, notably Arica and Antofagasta. Chile also agreed to make a cash payment to Bolivia and promised to build a railroad from the port of Arica to La Paz. These improved links to the sea through Chile and Chilean-occupied territory, together with those already in existence through Peru, greatly undermined the traditional Bolivian claim to be without adequate outlets to the Pacific.

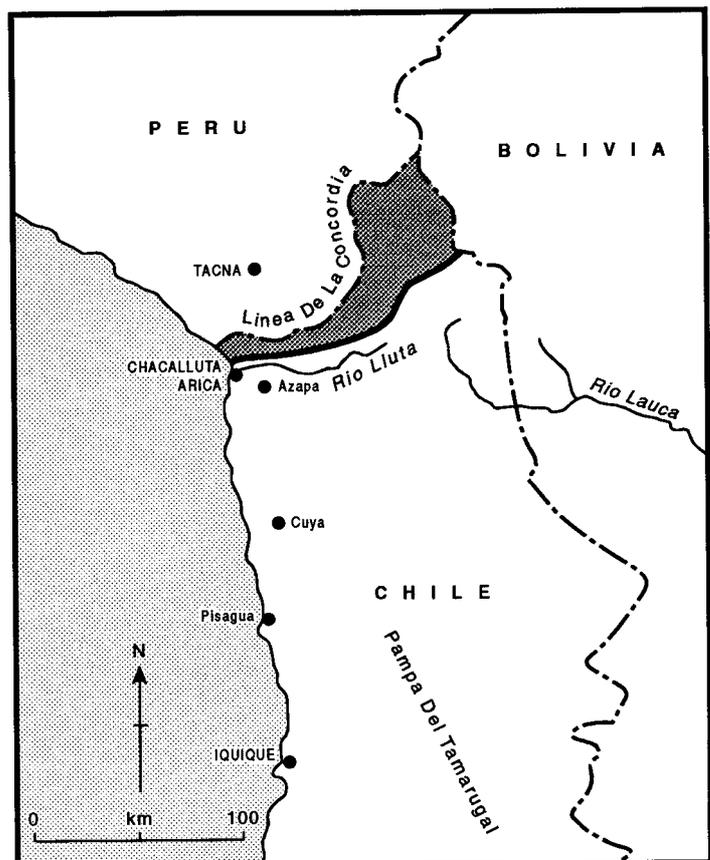
After more than four decades of difficult negotiations, representatives of Peru and Chile finally signed the Tacna and Arica treaty and additional protocol in early June 1929. The treaty divided ownership of the former Peruvian provinces with Tacna going to Peru and Arica to Chile. In addition, the Chilean government agreed to grant Peru a wharf, customs office, and railway station at Arica Bay as well as to pay Peru a cash indemnity. The most controversial proviso of the additional protocol stipulated that neither Peru nor Chile could cede to a third state any of the territories over which they were granted sovereignty in the 1929 treaty without the prior agreement of the other signatory. It also provided that neither signatory could build new international railway lines across those territories without the approval of the other (St John, 1992b: 160-164).

The Bolivian government in June 1950 revived the littoral issue when it proposed to Chile direct negotiations aimed at granting Bolivia a sovereign exit to the Pacific Ocean. The Chilean government agreed to discuss the question, but its response raised the issue of compensation and emphasized that under the terms of the 1929 treaty it was obliged to consult with Peru. Negotiations made little progress thereafter as many Bolivians opposed a related Chilean scheme which suggested that compensation for a Pacific port take the form of water from the Bolivian altiplano for use in the economic development of Tacna and Arica. Popular opposition to a settlement also developed in Chile especially in the northern part of the country. The Peruvian government opposed any negotiations aimed at granting Bolivia territory which had once been part of Peru. In addition, Peru was adamantly opposed to the Chilean suggestion that the waters of Lake Titicaca be used to compensate Chile for a Bolivian port. The Peruvian government had long considered those waters held in condominium by Bolivia and Peru for their exclusive use (Fernando Guachalla, 1976: 34-104).

The Bolivian government in early 1975 reestablished diplomatic relations with Chile, ties which had been severed in 1962 when Chile moved unilaterally to divert the headwaters of the Lauca River. Later in the year, the Bolivian government requested a sovereign coastline at Arica together with a piece of territory 50km long by 15km wide further south. The Chilean government responded in December 1975 with a proposal to exchange a land-sea corridor north of Arica along the Peruvian border extending to the 200 nautical mile limit for equivalent territorial compensation in the Bolivian altiplano. The Bolivian government initially accepted the principle of equivalent territorial exchange; but it later rejected the Chilean proposal on the familiar grounds that Bolivia should not have to make territorial compensations to obtain land seized in an aggressive war (Montenegro, 1987: 69-136).

The Peruvian government in the second half of the 1980's once again explored the issue as part of a diplomatic initiative to improve regional relations. When a new administration took office in Lima, the Peruvian Foreign Minister travelled to La Paz where talks focused on improved commercial relations as well as joint efforts to control the traffic in narcotics. The Peruvian government

### Chilean Territorial Suggestion to Bolivia (1975)



Source: Gangas Geisse & Santis Arenas, 1994

acknowledged the perpetual concern of Bolivia, sovereign access to the sea, but emphasized that it was largely a bilateral question between Bolivia and Chile. About the same time, the Bolivian government began to move away from the multilateral strategy it had been following for several years and towards more of a bilateral approach. At one point, Bolivia even offered to buy outright from Chile a 10-mile strip north of Arica along the Peruvian border, a proposal which met with no enthusiasm in Santiago. The president of Peru later reversed the longtime policy of his government when he reportedly told his Bolivian counterpart that Peru was prepared to accept Chilean cession to Bolivia of land occupied by Chile after the War of the Pacific. However, the Bolivian government was unable to take advantage of this apparent shift in policy before a new Peruvian chief executive took office in the summer of 1990 (Ferrero Costa, 1987: 63-66).

In early 1992, Peru and Bolivia concluded a 50-year renewable agreement which permitted the latter to set up shipping and customs operations in a duty-free port and industrial park at the Peruvian

port of Ilo. The Peruvian government also ceded to Bolivia a tourist zone for 99 years along with 5 km of Ilo coastline. The Bolivians immediately baptized the coastal strip "*Bolivia Mar.*" In compensation, Peru received similar facilities at Puerto Suarez on the Paraguay River where it hoped to promote trade with Argentina, Brazil, and Paraguay. Both Bolivia and Peru hailed the Ilo agreement as an historic step which would greatly benefit regional development. The Bolivian government also emphasized that the event marked only the first step in its determination to recover full rights to the sea. The Peruvian government, in turn, stressed the need, while respecting existing international agreements, to seek creative, pragmatic solutions to difficult problems (FBIS-LAT-92-018, 28 January 1992: 14).

At the end of 1992, the foreign ministers of Bolivia and Peru concluded a series of additional agreements intended to promote the economic development and better use of the free zone and port at Ilo. The Peruvian government agreed to provide incentives to develop Ilo port and to accept bids to grant concessions for a period of no more than 60 years. Peru also agreed to issue the necessary documents for Bolivian companies to implement development programs within 30 days while Bolivia agreed to accept bids to develop the Ilo free zone and the tourist zone at Bolivia Mar beach. Additional agreements created a binational organization to develop the Titicaca system and formed the Bolivian-Peruvian Cultural Institute to promote the cultural expression of both countries in the areas of art, literature, and science (FBIS-LAT-92-240, 14 December 1992: 58).

The Peruvian government also continued its dialogue with the Chilean government aimed at a full implementation of the terms of the 1929 treaty and additional protocol (Mercado Jarrin, 1988: 150-153). Negotiations centered on Article 5 of the treaty which called for Chile to construct at Arica for Peru a landing stage for steamships, a customs office and a terminal station for the Tacna railway. The additional protocol also called for Peru to receive complete freedom of transit for persons, goods and arms to and from Peruvian territory once the port facilities called for had been constructed (Brousset Barrios, 1989: 97-109). In a convention concluded in the mid-1980's, Chile had agreed to turn over the dock it had constructed for Peru in Arica as well as granting Peru the right to use the Tacna-Arica railroad. However, the question of complete freedom of transit on the

railway to the pier proved troublesome; and six years later, Peruvians were still arguing that the 1929 agreements had not been honored in full (FBIS-LAT-92-171, 2 September 1992: 36-37). The negotiations opened in early 1993 were eventually fruitful as representatives of Chile and Peru signed an agreement in May which indicated that they had resolved the last disagreements affecting the 1929 treaty and additional protocol.

The Bolivian government, on the other hand, was unable to make substantial progress in its talks with Chile. In early February 1993, the Chilean government announced that President Patricio Aylwin had instructed his foreign minister to resolve all existing border disputes before the end of his term in December of that year. While reference was made to the need to consult Bolivia concerning negotiations between Chile and Peru, the Chilean government stated that they were no outstanding problems between Chile and Bolivia, adding that its objective was to improve and promote current ties (FBIS-LAT-93-022, 4 February 1993: 17-18). One week later, the Chilean government suspended commercial discussions with Bolivia after high-ranking Bolivian military officers opposed the talks on the grounds that Bolivia should not subordinate its lofty national maritime interests to the signing of a commercial agreement with Chile. The Bolivian government had earlier won a vote of confidence from the Bolivian congress to negotiate a supplementary economic agreement, and if possible, to resume diplomatic relations with Chile. A bilateral commercial agreement covering a list of 100 products had been scheduled to be signed in early April 1993 (FBIS-LAT-93-029, 16 February 1993: 29).

Shortly thereafter, the Bolivian press trumpeted a joint Bolivia-Chile communique signed by the respective foreign ministers which included a reference to "*pending issues*" between the two states. This was the first time since the conclusion of the 1904 treaty that the Chilean government had acknowledged that it might have any issues pending with Bolivia (FBIS-LAT-93-137, 20 July 1993: 26-27). Hopes for sustained progress on the Atacama issue were soon dampened, however, by the outgoing Bolivian president, Jaime Paz Zamora, who described Chile in a speech to high-ranking military officers as an "*indolent neighbour*" and a "*retrograde country*". He added that Chile remained "*in the stone age*" as far as Bolivia's maritime situation was concerned and

urged the government in Santiago to help Bolivia to resolve its landlocked problem (FBIS-LAT-93-142, 27 July 1993: 41-42).

The intemperate remarks by the outgoing Bolivian president were widely criticized in and out of Bolivia as inaccurate and counterproductive as they clearly did nothing to promote a dialogue with Chile. One of the Bolivian president's last official acts was to travel to Ilo where he met with the Peruvian president to sign an agreement on the use of the sea coast. Emphasizing the need for regional integration, the president of Bolivia celebrated his country's return to the Pacific Ocean by wading into the water (FBIS-LAT-93-146, 2 August 1993:40-41). A few weeks later, the foreign minister of Chile offered to discuss the issue of a Pacific seaport with the incoming Bolivian government although he seemed to rule out any possible territorial transfer. Pressed on the issue of the inviolability of the 1904 treaty, he responded that a national consensus in both countries would have to exist to change the terms of the treaty and implied that such a consensus did not exist today in Chile (FBIS-LAT-93-172, 8 September 1993: 31-32). While this is probably true, the Atacama Desert dispute is likely to continue to poison interstate relations along the west coast of South America until Bolivia does attain a commercially viable port of its own.

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