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Argentina-Chile: Dispute at the End of the Earth

A Research Paper

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Argentina-Chile: Dispute at the End of the Earth

*Central Intelligence Agency
National Foreign Assessment Center*

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The current dispute between Argentina and Chile over the Beagle Channel and related territorial claims has a long and complex history. It is typical of many other South American boundary problems that stem from early, ambiguously worded agreements and treaties that were formulated before accurate maps were available. This paper addresses the major issues in the Argentina-Chile dispute.

The Beagle Channel lies near the southern tip of South America and serves as an alternate route between the Atlantic and Pacific oceans to the Strait of Magellan and to the course around Cape Horn. A treaty negotiated in 1881 stipulates that the boundary between Argentina and Chile should run north-south through Tierra del Fuego, dividing Isla Grande into two parts, with Argentina getting the eastern part and Chile the western part. All islands along the Atlantic coast were to belong to Argentina; those south of the Beagle Channel as far as Cape Horn and all along the Pacific coast were to belong to Chile.

Differing interpretations of the treaty soon arose. The Chileans claimed that the north-south line dividing Isla Grande was to stop at the northern shore of the Beagle Channel, so that the channel itself as well as all territory to the south belonged to Chile. The Argentines countered that the north-south line reached midchannel and that a portion of the channel belonged to them. The Chileans also held that the channel extends eastward as far as Cabo San Pio, making the small islands of Picton, Lennox, and

Nueva theirs; whereas the Argentines claimed that the channel turns southward to the west of Picton and Lennox, and the islands are therefore Argentine.

Picton, Lennox, and Nueva, ownership of which has become a matter of national pride to both countries, have no more than a dozen or so permanent or seasonal Chilean residents and no Argentines; gold placers once exploited on them have long since played out, and with the possible exception of some nitrate deposits, they contain no known mineral or other resources of significance. In recent years, however, the importance of Tierra del Fuego as a whole has grown, both economically and strategically. Oilfields and enormous sheep ranches occupy the northern part of the region. In the south, Ushuaia, Argentina, has grown from a mere outpost to a town of 6,000 inhabitants. It has an airfield, a naval base, port and petroleum storage facilities, a radio station, a hydroelectric plant, and a road that allows overland communication with the north. Chile maintains a small naval base at Puerto Williams, south of the Beagle Channel on Isla Navarino. Puerto Williams has an airstrip, a radio station, a hotel, and a civilian population of about 700.

A series of incidents, including one in which a Chilean PT boat entered Ushuaia Bay and was fired at by an Argentine patrol ship in 1967, led Chile to unilaterally seek British arbitration. Argentina rejected the idea at the time, but signed a treaty in 1972 whereby the International Court of Justice would study the problem and submit its verdict to

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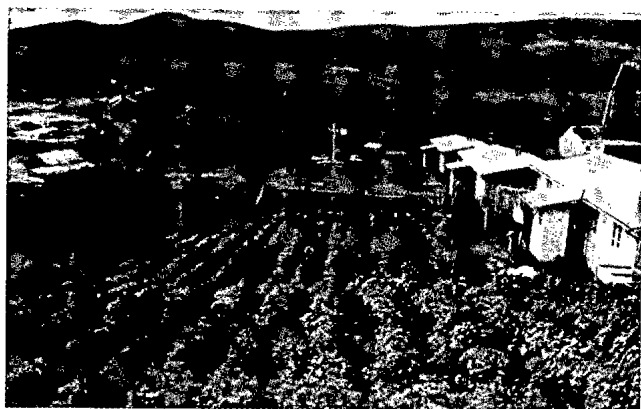


Figure 1. Potato field and houses of Isla Nueva

the British Crown for approval or disapproval. In May 1977 the Court decided that the Beagle Channel should be divided between the two countries and the disputed islands awarded to Chile; implementation of the decision, which was accepted by the British, was set for 2 February of the following year. But in December 1977, Argentina, which had already indicated it would not accept the Court's ruling, began a press campaign and a number of economic and military moves to prompt concessions from Chile. Presidents Videla of Argentina and Pinochet of Chile met in Mendoza, Argentina, in January 1978, and in Puerto Montt, Chile, in February, and signed agreements creating a joint commission and outlining a phased negotiation process. The first phase ended in April without any significant progress.

As the second phase of negotiations proceeded, the focus of attention shifted away from the islands in the mouth of the Beagle Channel to a number of smaller islands to the south, including Evout, Barnevelt, and Hornos. Argentina wants a boundary that would link these islands before it turns south along the Cape Horn meridian, or, better yet, an alignment that would place one or more of the islands entirely in Argentine territory. Intrusion of the Chileans into the Atlantic is resented by the Argentines, who feel that it breaks a gentleman's agreement between the two countries that Argentina

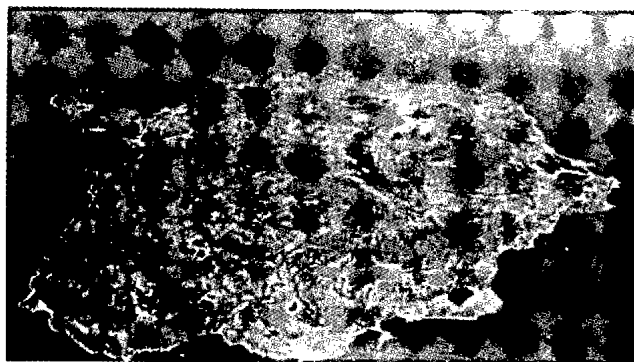


Figure 2. Isla Lennox viewed from the northwest

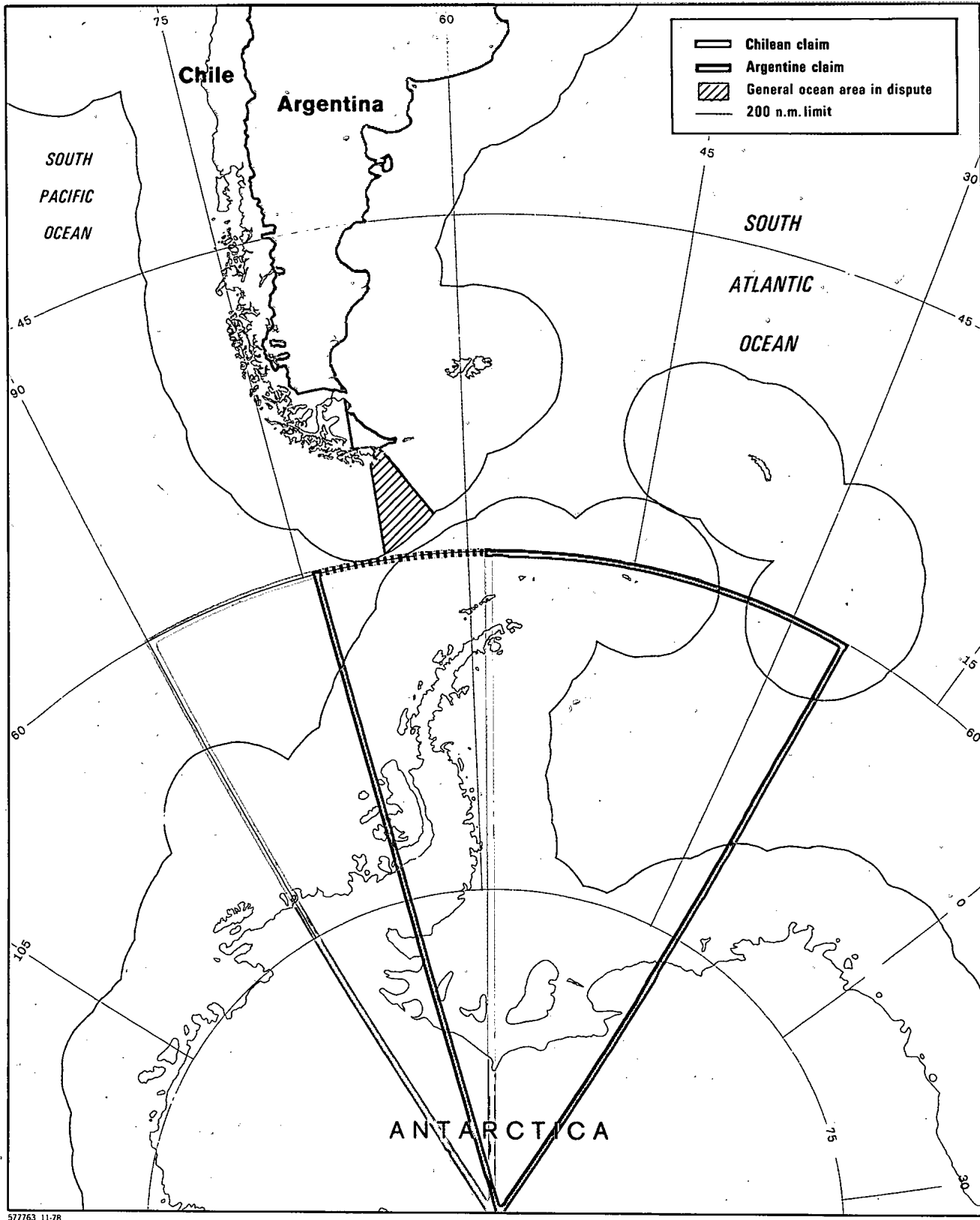
should be an Atlantic power and Chile exclusively a Pacific power.

Argentina is also concerned about the affect the Court's awards to Chile might have on control of ocean resources; both countries claim sovereignty over resources within 200 miles of the coast. Ownership of Picton, Lennox, and Nueva may bear on the location of the boundary between the two respective 200-mile zones and could give Chile a sizable slice of the South Atlantic. Continental shelf petroleum and coastal fisheries are the resources of greatest interest, but the value and the extent of these in the area are unknown. The shelf east of Nueva Island, however, is quite narrow, about 15 miles wide, beyond which the bottom drops rapidly to abyssal depths. It is, therefore, much less attractive for development than Argentina's broad shelf on the northeastern side of Tierra del Fuego, which has rich, relatively untapped fish resources and potential oil deposits that may rival those of the North Sea—although the latter will take many years of exploration to determine.

An additional Argentine concern is that the International Court ruling will adversely affect their Antarctic claim which overlaps that of Chile. Presumably, they fear that any extension of Chilean territory eastward into the Atlantic will lend weight to Chilean claims to territory directly to the south on the Antarctic Peninsula.

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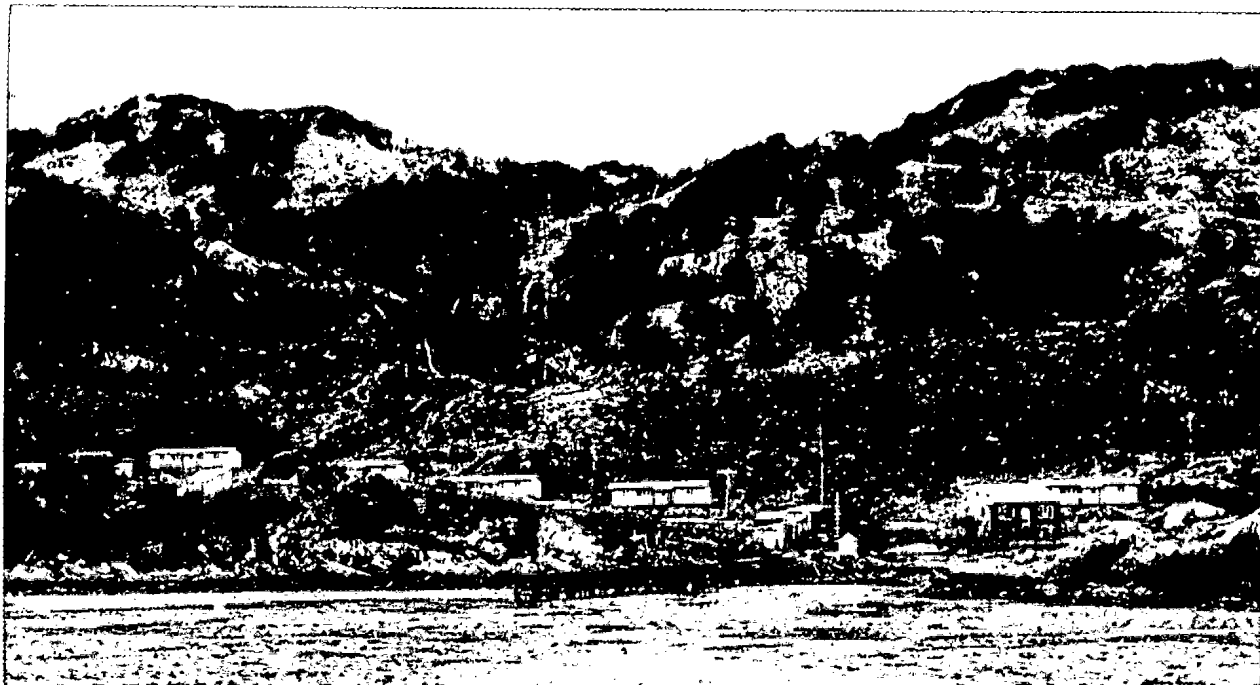


Figure 3. Chilean settlement on Isla Picton



Figure 4. Port of Ushuaia, Argentina

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Figure 5. Freighter and naval vessel in the Beagle Channel (prior to 1977)

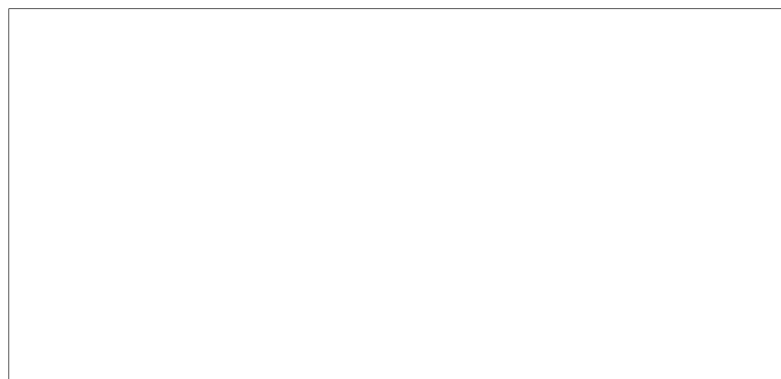


Figure 6. Beagle Channel with snow-covered mountains of Isla Hoste in background



Figure 7. Puerto Williams, Chilean naval base on the Beagle Channel

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