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Argentina-Chile: Latest Beagle Channel Talks Fail [REDACTED]

Chilean Foreign Minister Cubillos and Argentine Foreign Minister Pastor apparently made no progress this week in their talks intended to avert a military action in the Beagle Channel dispute. No joint communique was issued the press that the talks failed. Cubillos reportedly came to Buenos Aires with proposals that were unacceptable to Argentine President Videla and military leaders. [REDACTED]

Both sides have continued to make final military preparations. Argentina has moved combat units from all four military corps to the Chilean border and has sent its major naval ships to sea. Chile has placed its Army and police units on full alert, has closed some border crossings, and has ordered its combat ships to move southward from the main port of Valparaiso, probably to the Beagle Channel area. [REDACTED]

A leading Argentine newspaper has stated that the United States has asked the Organization of American States to intervene in the dispute. The Argentine Government repeatedly has expressed its receptivity to direct US involvement or mediation, but could easily interpret an appeal to the OAS at this time as a legalistic move that will benefit the Chileans, who have the juridical advantage in the dispute. [REDACTED]

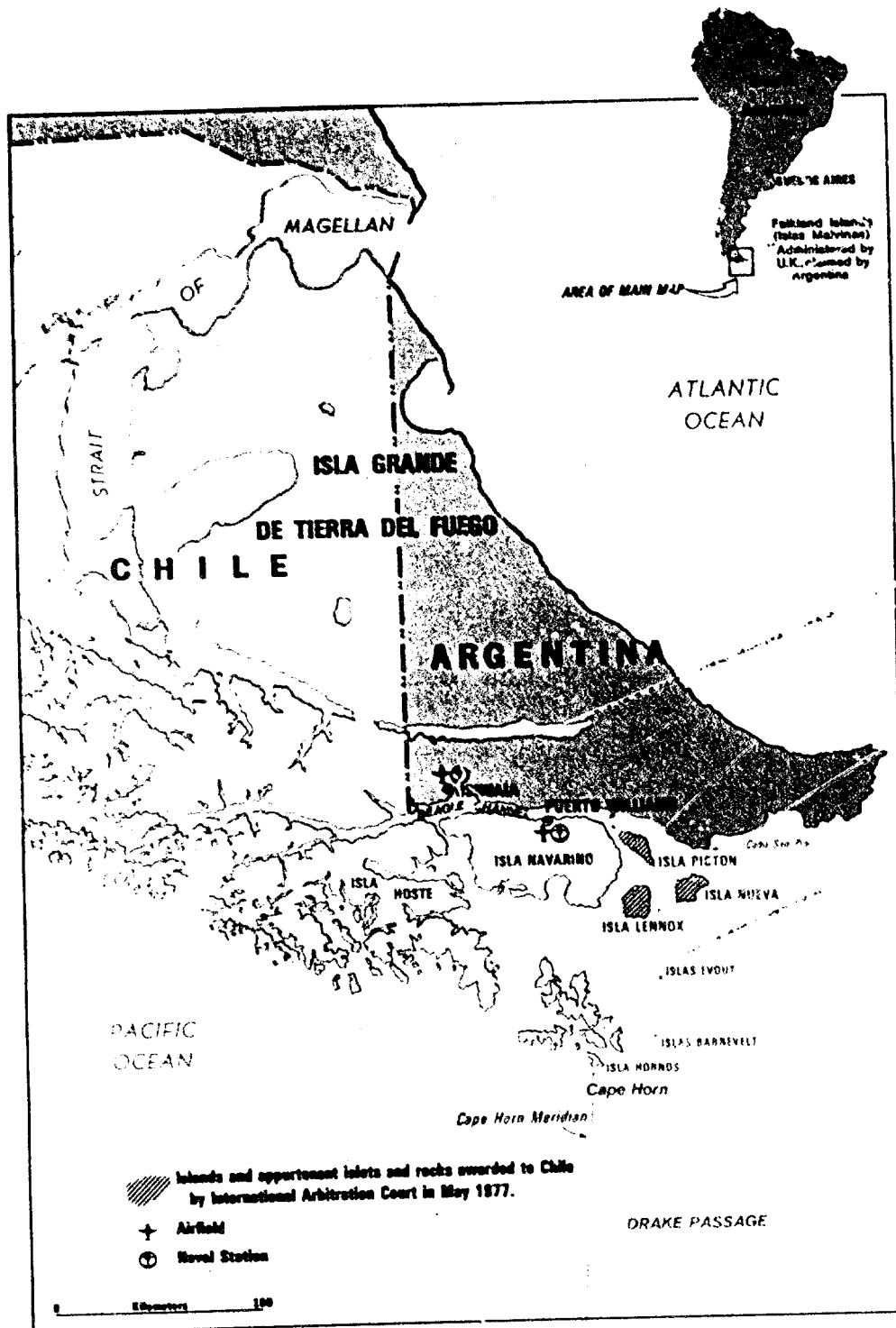
There is still a possibility that a military move can be averted, but the fundamental dispute appears intractable and not easily susceptible to outside mediation since there is a basic clash of national interests. Chile shows no willingness to renegotiate its maritime boundary claims, which have the weight of international law behind them. Argentina, on the other hand, believes that factors affecting its national security and potential for economic growth are at stake and wants the issue handled in a political, nonlegal, context. [REDACTED]

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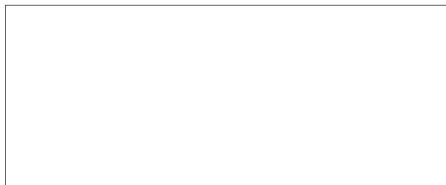
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ARGENTINA-CHILE: Background on Beagle Channel Dispute

The dispute between Argentina and Chile over the Beagle Channel and related territorial claims is typical of many South American boundary problems that stem from early, ambiguously worded agreements and treaties formulated before accurate maps were available. Recent efforts at negotiation and arbitration have failed, largely because neither side is prepared to accept any compromise on the major issues.

The Beagle Channel serves as an alternate route to the Strait of Magellan and to the course around Cape Horn for travel between the Atlantic and the Pacific Oceans. A treaty negotiated in 1881 stipulated 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.

The Chileans soon 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 reaches midchannel and that a portion of the channel belongs 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; 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 have no more than a dozen or so Chilean residents and no Argentines. With the possible exception of some nitrate deposits, they contain

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no known mineral or other resources of significance. In recent years, however, the importance of Tierra del Fuego has grown. Oilfields and enormous sheep ranches occupy the northern part of the region. In the south, Ushuaia, Argentina, has grown to a town of 6,000 inhabitants, with an airfield, a naval base, a hydroelectric plant, and a road that allows access to the northern part of the island. Chile maintains a small naval base at Puerto Williams, south of the Beagle Channel on Isla Navarino. The town has an airstrip, a radio station, a hotel, and a civilian population of about 700.

A series of incidents, including one in 1967 in which a Chilean PT boat was fired on by an Argentine patrol ship, led Chile to seek British arbitration of the lingering channel dispute. Argentina rejected the idea but signed a treaty in 1972 submitting the claim to the International Court of Justice. The Court's verdict would go to the British 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 February 1978. In December 1977, however, 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 and Pinochet 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 negotiating process. The first phase ended in April without any significant progress.

In the second phase of negotiations, 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 line that would run through these islands before the line turns south along the Cape Horn meridian or, better yet, a boundary that would place one or more of the islands entirely in Argentine territory. Intrusion of the Chileans into the Atlantic is resented by the

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Argentines, who feel that it breaks a gentlemen's agreement between the two countries that Argentina should be an Atlantic power and Chile exclusively a Pacific power.

Argentina is particularly concerned about the effect 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. Continental shelf petroleum and coastal fisheries are the resources of greatest interest, but their value and extent in the area are unknown. An additional Argentine concern is that the Court ruling will adversely affect Argentina's Antarctic claim, which overlaps that of Chile. Argentina presumably fears 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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