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THE HIGH STAKES OF GEOPOLITICS IN TIERRA DEL FUEGO

by

DR. STEPHEN M. GORMAN

In the past few months, tensions have mounted between Argentina and Chile over boundary disputes in the Southern extremity of the South American Continent, a region known as Tierra del Fuego (Land of Fire). Military garrisons in the area have been strengthened, and both states have begun naval maneuvers in and around the Strait of Magellan, an international waterway that separates Tierra del Fuego from the mainland. Ostensibly at issue are three tiny islands in the Beagle Channel which look south into Antarctica and east into the South Atlantic.

The Beagle Channel Islands were recently awarded to Chile by international arbitration. But Argentina, whose territorial claims to those same islands were rejected in the arbitral decision, has announced its intention to resist Chilean occupation of the disputed territory by whatever means necessary. Chilean efforts at a diplomatic compromise appear to have delayed somewhat an open break between the two countries, but a direct confrontation, of either a limited or a potentially wider nature, remains a distinct possibility. The ability of the United States to effectively mediate the dispute is hindered both by outstanding difficulties between Washington and the respective governments and by the deeper issues attached to control over the islands.

While Chile and Argentina have fought border skirmishes before over this part of their frontier, there are special circumstances in the present conflict which threaten to provoke a general war and involve other nations with interests in the region. The reason is simple: There is much more at stake than the Beagle Channel Islands. The underlying issues concern territorial claims by both countries in Antarctica and its adjacent waters. Because the islands in question face into the South Atlantic, Chilean possession would, in the mind of the Argentine Government, create the possibility of Chilean competition with Argentina for control of Antarctic waters and the Antarctic Continent itself.

Argentina's territorial claims in the Antarctic region are further complicated by a

long-standing dispute with the United Kingdom over the Falkland Islands, several hundred miles east of Tierra del Fuego, and the more distant South Georgia and Sandwich Islands.¹ Should Argentina fail to prevail in the dispute with Chile, her interest in the Falklands would suffer as well, since defeat at the hands of less powerful Chile over the less important Beagle Channel Islands would make the British appear invincible on the matter of the Falklands. To renounce claims to both the Beagle Channel and the Falkland Islands would leave Argentina virtually no geographical basis for territorial claims in Antarctica.

The recent discovery of marketable resources to the south, however, makes such a renunciation unthinkable. For the most part, territorial claims in Antarctica are predicated on latitudinal extensions of state boundaries into the Antarctic Circle.² Chilean sovereignty over the Beagle Channel Islands would extend the boundary of Antarctic territory she could claim further east at the expense of Argentina. At present, Chile claims 484,800 square miles of Antarctic territory, and Argentina claims about 474,900 square miles. Argentina's claims, however, hinge in large measure on sustaining her arguments for sovereignty over the British-administered Falkland, South Georgian, and South Sandwich Islands, and to a much lesser extent on denying the Beagle Channel Islands to Chile.³

ECONOMIC INCENTIVES

It has long been accepted that Antarctica is potentially rich in mineral and organic resources, especially petroleum. But because it was not economically feasible to exploit those resources, states with territorial claims in the area have been content to uphold their sovereign rights in principle only. Now, the discovery of a resource susceptible to immediate market development has increased the sensitivities of certain states to their sovereign rights. The resource is krill (*Euphausia superba*), a small crustacean just under three inches long and similar in some respects to shrimp.

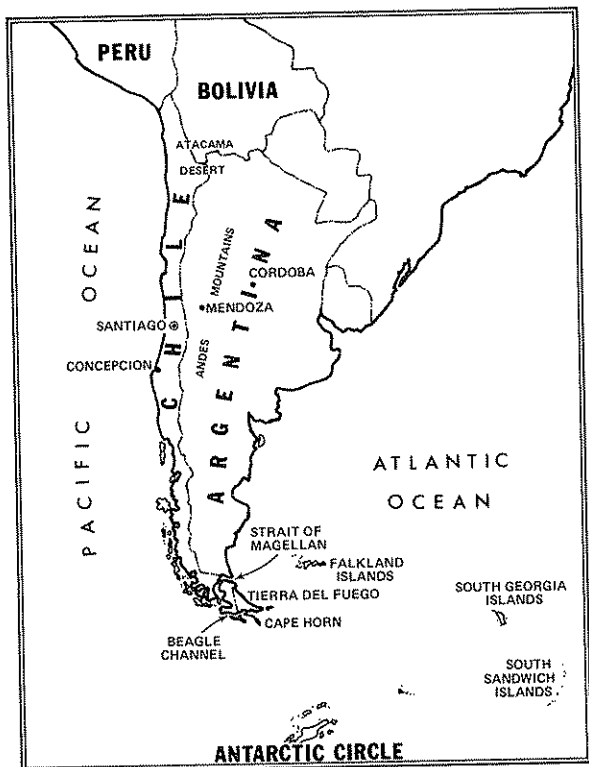
Little is known about the krill other than

that it is rich in protein and swims in large schools close to the surface of Antarctic waters. Several countries have been fishing for krill on an experimental basis to determine more about its nutritional qualities and biological characteristics. Two countries—Japan and the Soviet Union—actually market krill for human consumption, but the combined annual harvest for all countries is still less than a million metric tons. This is likely to change, however. In the past year, the West Germans have developed a new and more efficient technique for capturing krill which will make the commercialization of this species highly profitable. Some experts have speculated that the annual harvest of krill could quite easily match the nutritional value of the combined world harvest of all other species of fish. Several legal obstacles complicate jurisdictional rights in the area in which krill are found, however.⁴

The Antarctic Treaty signed in Washington in 1959 imposes some restriction to krill fishing. The treaty requires its 12 original signatories—and the 7 other nations that have acceded to its terms—to reserve the continent and adjacent waters for scientific use. Although commercial development is not prohibited by the treaty, it is required to be regulated to protect the resources and environment. The original 12 signatories include Chile, Argentina, and Britain. Together, these 12 nations constitute what is known as the "Antarctic Club," and they reserve to themselves the exclusive right to jointly review and revise the treaty as and when necessary.⁵

In view of the prospects for the full exploitation of krill in the near future, the Antarctic Club is currently involved in revising the treaty to manage and regulate this resource. Several political and legal difficulties have come to the surface in these negotiations. They can be grouped into three issues: the territorial waters issue, the ability of nonsignatories to operate in the area without constraints, and the efforts by the Group of 77 to internationalize the Antarctic.

In regard to the first of these problems, the Antarctic Treaty holds all territorial claims in the region by signatories in abeyance for 30



environment, but others are not similarly constrained. An environmental concern is that the krill forms an important link in the food chain for the entire network of world oceans. Decayed krill are carried by northward-flowing bottom currents to all areas of the ocean and sustain the life cycle. The overharvesting of krill, therefore, could precipitate a worldwide ecological imbalance. Treaty states are obliged to pay due regard to this threat, but others are not. Consequently, countries like Peru—which has based its economy in large measure on fishmeal production, only to overfish native anchovetas to the point of extinction—may be expected to harvest an unfair share of krill. Peru is of particular interest in the regional military balance as well: There are real possibilities for open conflict between Peru and Chile over territorial claims in the Atacama Desert, which makes up their common border.

A final legal problem is created by the efforts of the Group of 77, a caucus of underdeveloped states acting within the United Nations Conference on the Law of the Sea, to internationalize Antarctica. Were this to occur, the special prerogatives of the Antarctic Club, and the territorial claims of some of its members, would be superseded by the international management of the region.⁷

years. While they are permitted to extend their jurisdictional authority within a 200-mile territorial waters limit, they are in theory prohibited from invoking sovereign rights beyond the more conventional limit of 12 miles. In the case of Chile and Argentina, this means that although they claim territory on the Antarctic Continent which is paralleled by the Southern borders of their own countries, they cannot in theory exclude other nations from fishing activities within this combined 400 miles of territorial waters. Thus, only by ignoring the treaty provisions can they arrogate to themselves exclusive fishing rights, as Peru has done in its own coastal waters. The danger is that, without restrictions, the fishing fleets of Chile and Argentina will face unfair competition when and if the Japanese and Soviets begin full-scale exploitation of krill.⁶

Another problem results from the absence of restrictions on nonsignatories of the treaty. Members of the treaty may fish for krill only with due regard to the

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To date, the efforts of the Group of 77 have been effectively blocked by the diplomacy of the great powers who are members of the Antarctic Club. The goal of the Group of 77 is to place Antarctica under the supervision of the International Sea-Bed Authority. This is envisioned in a draft treaty produced by the Sixth Session of the UN Conference on the Law of the Sea as an agency with regulative and licensing authority over resource exploration in the International Sea-Bed Area. Disputes over the exploitation of those resources would be adjudicated by an International Tribunal of the Sea.⁸ But, if Argentina has refused to abide by legal decisions concerning the Beagle Channel Islands, it is unlikely that it would accept the jurisdiction of a Tribunal of the Sea concerning its broader claims; nor would the other interested states likely accept any such international jurisdiction.

If the krill is an issue of immediate concern, oil is lurking around the corner as a potentially larger *casus belli*. The technology which has been developed for the North Sea may be usable in the Southwest Atlantic. If this is the case, the oil reserves presumed to exist in the area take on more than just academic interest. To quote one source:

The U.S. Geological Survey had identified the seas off Southern Argentina and around the Falkland Islands as offering outstanding possibilities of oil recovery. It put the potential at 40 to 200 billion barrels of oil, that is to say, at least four times as great as the U.S. Atlantic Continental shelf potential and possibly nine times the proven North Sea reserves.⁹

The United Kingdom has yet to address itself to the development of this resource, preferring to first resolve outstanding disputes with Argentina over sovereignty of the islands. If the Labour Party, with its disinclination to become embroiled in international conflicts over dependent territories, should lose power in Britain, however, there appears to be a favorable opinion in the opposition to take advantage of the Falkland oil reserves. At the same time, the allure of oil income is a strong

incentive for the Argentine Government to press its territorial claims all the harder.¹⁰

As if the krill and petroleum in the region were not enough of an inducement to conflict between competing claimants, there are also domestic tensions in several of the region's states which might push the governments of those states to seek a military solution to conflicting territorial claims.

INTERNAL INDUCEMENTS

The three South American states that could become embroiled in a confrontation over Antarctic resources are Peru, Chile, and Argentina. They are all governed by their militaries, and all face severe economic ills and deteriorating domestic political situations. Under these conditions, their leaders may possibly adopt the strategy of "the enemy without that unites."

Another salient consideration predisposing Argentina, Chile, and Peru to armed conflict is institutional pride. The generals have not acquitted themselves well in the management of their societies, and the usually high esteem for the armed forces as an institution is declining in their publics. Latin America has had its share of military adventures designed to divert public attention away from domestic policy failures. In the past, these have tended to be minor conflicts, but history also shows in the cases of the War of the Pacific (1879-84) and the Chaco War (1932-35) that full-scale hostilities are possible where mineral resources exist or are thought to exist. Consequently, domestic considerations figure prominently in calculating likely international developments in the area.

Perú has been under military rule since the Institutional Revolution of the Armed Forces on 3 October 1968. Under the leadership of General Juan Velasco Alvarado, Peru's "revolutionary" government, dominated by left-leaning army officers, attempted to restructure the national economy to break dependence on Western states. The strategy entailed heavy foreign borrowing and an expansion of export activity, which together would finance

industrialization and agrarian reform. But the country borrowed too much, state finances took a downward turn, and Velasco was replaced by the more centrist General Francisco Morales Bermudez in 1975.

Morales has been forced to adopt an austerity plan reversing some of the popular reforms of his predecessor, and he has placed increasing reliance on force to maintain public order. He has simultaneously had to fight a rearguard action against the more conservative elements within the military government, whose strength has increased since an abortive right-wing coup in July 1976.¹¹ Last year, Morales announced a plan to return government to civilian control by 1980, but this move is bitterly resisted by the military hard-liners.

A delicate subject for the past two years in Peru has been solidarity within the armed forces. Partly in an effort to divert public attention away from domestic failures, and also to prompt the armed forces to close ranks, the government has publicized the poor relations between Peru and Chile. The antagonism between the two states dates from the War of the Pacific, in which Peru lost copper- and nitrate-rich territories to Chile. In recent months, the government has leaked rumors of military clashes with Chilean forces, and the navy has reported sinking a Chilean submarine caught inside territorial waters. The navy might well have special cause to promote tensions with Chile. During the increasing economic hardships of the past few years, the navy has continued with costly foreign shipbuilding orders. It may now feel itself hard pressed to justify those procurements by demonstrating their value to the nation in a confrontation with Chile. But more importantly, hostilities could serve as a pretext for extending military rule beyond 1980, and they could justify tight internal controls—both goals of the generals to the right of Morales.

The importance of fishing to the Peruvian economy is yet another motivating factor. Until recently, Peru was the world's leading producer of fishmeal, a situation made possible by the large quantities of anchovetas found in coastal waters which the government protected by extending its territorial sea limits

to 200 miles. The assertion of exclusive fishing rights in the coastal territory was subsequently enforced with gunboat seizures of American tuna boats throughout the early 70's.

In 1970, the fishmeal industry employed more than 20,000 fishermen, and the equipment needs of the activity stimulated the growth of the shipbuilding industry in the country. The export earnings accounted for nearly 80 percent of national income. By 1973, however, the overexploitation of anchovetas brought about a collapse of the industry, and the government nationalized fishmeal production. After "rationalizing" the production techniques of the industry (which required firing nearly half the labor force), the government returned it to private ownership in 1976.¹² The political reaction this provoked within the unions, which had grown powerful under Velasco, has yet to completely subside. Clearly, an attempt by Peru to fish for krill in Antarctic waters claimed by Chile would be supported in Peru by both the unions, which would benefit from increased employment, and the private owners, who form an influential component in the contemporary political setting. There are, after all, no hard legal prohibitions against outside exploitation of Antarctic krill.

In Chile, the military came to power in a bloody coup on 11 September 1973 which overthrew the Marxist regime of Salvador Allende. General Augusto Pinochet Ugarte assumed command of the military junta and instituted a nationwide purge of leftists. The resultant economic dislocations and international reaction to the violation of human rights accentuate the domestic ills which had originated in the political conflict during Allende's government. Productivity lagged, and inflation continued above 100 percent per year. The deterioration in relations with Washington which set in with the congressional investigations into the roles of the International Telephone and Telegraph company and the Central Intelligence Agency were exacerbated by the Carter policy on human rights. Chile had severed the close ties

which Allende built up with socialist states but found herself increasingly isolated from her traditional ally due to her domestic state-of-siege policies. Foreign assistance has subsequently fallen off.

Pinochet is a hard-liner, but he has recently found himself at odds with his rightist supporters within the military because of a symbolic concession to international public opinion. In response to charges of widespread violations of human rights by his government, Pinochet held a national plebiscite in which voters were given the option of marking a box with a Chilean flag, indicating support for his regime, or a box with a black flag, indicating disapproval.

The referendum produced something approximating a vote of confidence, but it triggered an intragovernmental dispute over tactics for dealing with dissidents. This rupture in military solidarity could well incline Pinochet to take a firm stand against Argentina in an effort to pull his military constituency back together, but it appears that it is having the opposite effect. Pinochet has endeavored to achieve a compromise—or, at the very least, a delay to the conflict. The domestic economic, political, and military situation seems to dictate such an approach.¹³

Argentina, the largest, richest, and most fully developed of the three countries, has been ruled by its military since the coup of 24 March 1976, which ousted President María Estela Perón. María Estela became President on the death of her husband, Juan Domingo Perón, in 1974. Perón had been dictator from 1948 to 1955 and was allowed to assume the presidency by the military again in 1973 in the hope that he could establish control over the competing "Perónist" factions which traced their ideology to his first government.

Perón died without making much progress toward this goal, and his wife was subsequently deposed at least in part for her government's inability to maintain domestic order. General Jorge Rafael Videla, who heads Argentina's military junta, has permitted the authorities to adopt more

rigorous measures to combat the urban terrorism which has kept the country wavering on the edge of civil war for almost five years.

The ability of the government to gather public support has been hampered by its inability to bring inflation under control. In 1977, it was well above 200 percent. Those measures which the regime has imposed have only succeeded in reducing the real wages of workers by 60 percent. As one Argentine economist concluded, the country is in the worst economic situation it has been in for 40 years.¹⁴ Nevertheless, some observers note moderate social and economic gains on the Argentine domestic front. These gains are reflected in a reduction of the inflation rate, but at the same time the economic policies of the regime appear to lack coherence.¹⁵ These factors reduce the likelihood that Argentina might adopt a militant foreign policy in an effort to conceal internal problems.

These gains also strengthen the hand of President Videla, who is considered a moderate committed to returning the country to democracy once the foundations have been established for its stability.¹⁶ His closest ally in this enterprise is his Minister of Economy, General José Martínez de Hoz, who functions as a surrogate prime minister. However, Videla is also dependent on Admiral Emilio Massera, who represents the navy in the junta, and here is where political considerations become preeminent. Unlike other Latin American juntas in which the army normally dominates over the other services, in Argentina the navy is acquiring greater influence in decisionmaking. Foreign policy is now almost entirely in the hands of the navy, and Admiral Massera has elected to take a hard line with Chile over the Beagle Channel Islands.¹⁷ The navy's lead in resisting Chilean territorial aspirations might well enhance its influence in domestic policy matters.

There may also be political ambitions on the part of Admiral Massera which are best served by the policy of brinkmanship in relations with Chile. Massera appears to have presidential aspirations which he is pursuing on a wide front. Recently, he has begun to mend his relations with Washington by

cultivating the image of a moderate—which most insiders recognize as something less than true. Thus, while there may be dividends in following a tough policy with Chile so far as his domestic popularity and political influence are concerned, his new sensitivity to Washington may allow the United States to moderate his policies. It is a delicate and fluid situation with a wide range of potential impacts on the dispute with Chile.

We might also mention Bolivia at this point, since its geographical location and outstanding political differences with Chile could well involve it in any future confrontations in the Southern cone. Bolivia lost its littoral in the Atacama Desert to Chile in the War of the Pacific and has never completely given up its hope of reestablishing sovereignty over its lost Pacific outlet. As one observer notes:

The Bolivian government's quest for a sovereign port on the Pacific Ocean has had and continues to have a destabilizing effect on inter-state relations on the west coast of South America.¹⁸

The concern with this lost territory has increased since the 1952 revolution in Bolivia, because of both the nationalism which the revolution has fostered and the periodic practice of subsequent governments to divert public attention away from internal problems toward foreign issues on which a consensus exists. One Bolivian scholar has gone so far as to identify the chronic conflict with Chile as one of the important pretexts with which the military regime of Hugo Bánzer Suárez has sought to maintain its legitimacy.¹⁹ After a protracted diplomatic break between Bolivia and Chile, the Bánzer government reestablished ties three years ago. The purpose was to seek a negotiated settlement to territorial differences, and Bánzer promised to resign if the issue were not resolved. Now, with Bánzer attempting to select his political successor for the upcoming elections, Bolivia has once again broken diplomatic relations with Chile and is returning to a hard-line policy.

THE MILITARY BALANCE IN EL CONO SUR

We will not pretend that the countries with which we are concerned can be ranked by military power in any meaningful way that might provide the grounds for predicting the probability of war or its likely outcome. As Klaus Knorr has suggested, "The presence of qualitative factors makes quantitative comparisons often inconclusive."²⁰ Thus, by simply comparing the quantitative differences between Israel and the UAR in 1967, we would have had no means of predicting the actual outcome of the conflict between them. Even if quantitative factors were an accurate index, the statistical information is difficult to compile and evaluate in its entirety. Our intention here, then, is to take cognizance of the generally recognized qualitative differences in the military strength of the countries mentioned in the previous section, after which we will focus on some of the more important quantitative aspects of military power, including military expenditures and armaments.

From a number of perspectives, Chile would appear to maintain an important qualitative edge on her neighbors. According to Liisa North, "In addition to the relatively high manpower strength, the military institutions of Chile are well organized, well trained and well disciplined."²¹ Chile seems to possess a more developed infrastructure for mobilizing, transporting, and supplying military units, and Chile clearly has a reputation for the effective application of military power.

Bolivia, in contrast, is clearly handicapped by qualitative considerations—so much so that her brute military strength will not be discussed in the following pages. It is doubtful that Bolivia could mount or sustain any offensive action on her own against Chile.

Peru is more difficult to assess. The quality of training in the Peruvian Armed Forces can only be guessed at, and as an institution the Peruvian military does not have a distinguished fighting history. The organizational structure as it is presently

constituted has yet to be tested, and there are more interservice disputes than in either Chile or Argentina, especially between the army and the navy. Chile's military officers are considered a hybrid of middle class and elites, and its recruits tend to be more educated than those in other countries. The Peruvian officer corps is less homogeneous, with the middle and lower classes predominating in the army and the upper class predominating in the navy. Finally, the Peruvian recruit is frequently separated from his commander by a cultural gulf stemming from Peru's sizable Indian component.

Argentina falls somewhere between Peru and Chile in terms of the qualitative dimensions of power. While more closely approximating the training levels of the Chilean Armed Forces, the Argentine military also reveals some of the factionalism of the Peruvian Armed Forces. Like Peru, Argentina has no demonstrated military potential for effective offensive action.

In terms of the quantitative considerations of military power, Chile is in a less advantageous position. Between 1966 and 1975, Latin America as a whole increased its annual military expenditures (in constant dollars) by almost 96 percent, while the combined regional gross national product (GNP) increased by slightly more than 72 percent for the same interval.²² In other words, military expenditures tended to increase faster than economies in Latin America. The countries in which we are interested conform to this general pattern, although with wide variations. Figure 1 compares increases in military expenditures and economic growth for the subject countries.²³

	Military Expenditures	Gross National Product
Chile	116.7	6.7
Argentina	54.3	44.3
Peru	166.7	49.7

Figure 1. Percent increase from 1966 to 1975.

In 1975, Chilean military expenditures

were \$331 million (4.3 percent of GNP), compared to Argentina's \$860 million (2.3 percent of GNP) and Peru's \$568 million (4.8 percent of GNP).²⁴ Although Argentina and Peru together held a better than four-to-one advantage over Chilean military spending, this does not measure the military strength derived from that spending. Two considerations seem important: the size of the military establishment that this spending supported and the level of armaments that it purchased.

Recognizing that there are qualitative differences between the armed forces of each country, the numerical differences nevertheless seem significant. Figure 2 provides a rough comparison of troop strength.²⁵

	Army	Navy	Air Force	Reserve
Chile	50,000	23,000	10,000	200,000
Argentina	83,000	33,000	21,000	—
Peru	46,000	14,000	9,000	—

Figure 2. Estimated 1976 troop levels.

There are also important differences in the equipment of these respective forces. Chile has approximately 15 first-line ships. In addition to six destroyers, there are two older British submarines and two cruisers (one purchased from the US in 1951, the other from Sweden in 1971). The Chilean Air Force is equipped with just over 200 aircraft, of which only a small number are relatively modern, sophisticated combat units: 15 F-5E American Freedom Fighters and 3 F-5Fs. However, the supply and transport equipment of the Chilean Armed Forces is extensive, and the maintenance of hardware is excellent.

Argentina has 19 first-line ships, including an aircraft carrier, 4 older US submarines and 10 destroyers (2 of which are of new British construction). Of Argentina's more than 370 aircraft, perhaps 200 are major combat units. A portion of the fighter units are outdated F-86 US day fighters, while the backbone of the force consists of 45 A-4P Skyhawks (comparable to Chile's F-5Es) and two squadrons of British Canberras. The Chileans, however, are noted as better-

trained pilots, especially in precision bombing.²⁶

Some of Peru's military equipment is newer and more sophisticated than that of either Chile or Argentina. Peru's navy consists primarily of eight submarines, of which two were recently constructed in West Germany. Two more submarines are currently under construction. Of Peru's three cruisers, one is of recent construction in the Netherlands and two were acquired from Britain in the 1960's. Two of Peru's four destroyers are also new, and four frigates are on order from Europe. Peru's air force contains 36 Soviet Su-22 variable geometry fighter-bombers acquired in 1977 and two squadrons each of Mirage 5s and Canberra light jet bombers. There is also a squadron each of the older F-86Fs and Hunter F-4s. Peru's Su-22s are more sophisticated than Chile's F-5Es, and the Soviets have also supplied Peru with an advanced air defense system.²⁷ The critical questions are whether the Peruvians have built up the support systems and training programs needed to maximize the advantage provided by these weapons and whether they could realistically expect to receive replacement supplies from the Soviet Union in time of war.

There are significant differences in the arms shipments received by each country from foreign suppliers. Between 1971 and 1975, Latin American states imported just over \$2.1 billion in armaments. Argentina, Chile, and Peru collectively accounted for more than 40 percent of this amount. Peru was the largest importer, with \$415 million compared to Argentina's \$236 million and Chile's \$198 million.²⁸ Peru's success in acquiring modern weapon systems derives in part from the military's ability to diversify international suppliers and from the favorable terms received from socialist bloc countries anxious to establish ties in the region. Also, Peru has the longest continuous military regime of the three countries under study, meaning that the hardware demands of the service branches have not been impeded or interrupted by civilian interference as in

Argentina and Chile. Since 1975, Peru has steadily increased military spending and arms purchases, while Chile and Argentina have encountered difficulties in this field. Norman Smith estimated that in 1977 alone the Peruvian military anticipated spending a half billion dollars. He observed further that "If the military balance continues to tilt further against Chile, the Peruvians may become confident enough to take aggressive action."²⁹

Added to this military imbalance are strategic considerations working to the disadvantage of Chile. Chile could prove a difficult country to defend against a joint action by Argentina and Peru. The Chilean military must simultaneously defend almost 3000 miles of coastline and more than 2000 miles of frontier with Argentina. Although the Andes are a formidable obstacle, Argentina could conceivably cut Chile in two at several different points. If a war involved both Argentina and Peru, the territory in dispute in the Beagle Channel and the Atacama Desert would be difficult to hold. These two troubled frontiers are at the extreme opposite limits of the national territory, preventing a concentration of Chilean force unless the loss of one is to be corrected at a later point. A division of forces between the two disputed frontiers, moreover, would leave the heartland of the Santiago-Concepción district exposed.

Chile is also disadvantaged somewhat in terms of an air war, since Argentina has two major bases close to the Chilean border (one in Mendoza, the other in Cordoba) within easy reach of the Santiago-Concepción district. Conversely, the closest Chilean military airfield to Buenos Aires is well over 700 miles distant. The vast expanse of sparsely inhabited territory between the Chilean frontier and Buenos Aires provides Argentina with a deep and flexible defense zone compared to the Chilean situation in which the major industrial and population centers are just over the frontier.

Given the strategic and quantitative disadvantages of Chile, there may exist a motivation to launch a potentially decisive first strike should war seem inevitable. In this

connection, it is significant that the Chilean military has for the past several years received military advisors from Israel, a country with similar defense requirements. Israel, along with Brazil, is also becoming a major source of arms transfers in the aftermath of US-Chilean tensions over human rights and the cutoff of US military assistance.

The issue of the North American role in any potential conflict in the Southern cone and the recent diversification of arms suppliers for the region brings us to a final consideration: What is the US interest, if any, in the regional military balance? At bottom, we must contend with the residue in American foreign policy circles of the view articulated by John Foster Dulles that change anywhere in the Third World usually works against American interests sooner or later.³⁰ In the concluding section we will develop this theme briefly.

US INTEREST

It is not possible to give a definitive accounting of the concrete American interests in South America. The actual battlefield outcome of a confrontation would not have any importance in itself for the United States, since who controls the Beagle Channel Islands or the Atacama Desert has little bearing on our national security or our ability to obtain strategic resources from the region. The interruption of interoceanic shipping that would occur in the event of armed conflict in the Strait of Magellan would be a short-term concern, but a manageable one. Rather, it is with respect to the diversification of military suppliers that the United States must be most concerned.

Peru began seeking military supplies in the socialist bloc early in the 1970's after a decline in relations between Velasco and Washington over the question of expropriations. More recently, Argentina has rejected US military assistance in response to a curtailment in military credits because of human rights violations. In the event of hostilities, the military establishments of each country would require supplies from the arms-transferring countries. Is the United

States prepared to permit the Soviet Union to reprovision the Peruvian Armed Forces in a conflict with Chile? More importantly, what would the Soviet price be for such emergency supplies? At a time when the Peruvian regime is moving back into alignment with Washington of its own accord, an international crisis could reforge dependence on the Soviet Union. Finally, in the contemporary setting of American domestic politics and the recent ghost hunt for a Communist threat in Panama, there are grounds for assuming that the present administration would feel hard pressed by its critics to prevent an overtly Soviet-assisted Peruvian victory, regardless of any real American interest in the outcome of the hostilities.

Perhaps the domestic repercussions within the respective societies would be an even more important concern. As James M. Malloy has pointed out, a lost war can serve as an accelerator for revolution, assuming that the other necessary conditions are present. Argentina, Chile, and Peru have all demonstrated a potential for revolution, and military defeat might well remove the organized capacity of the states to resist those forces. Once again, it can be argued that political or social revolution in any of these countries is not a direct and vital interest of the United States. Yet, the experiences of Chile demonstrate that influential sectors of the American business community do have regional interests and that these combine with the sometimes faulty foreign policy perceptions of government officials to bring about counterproductive interventions in such circumstances.

Finally, the sheer psychological impact of warfare in the hemisphere involving extracontinental assistance could not help but have a centrifugal effect on the hemisphere's political, military, and economic organizations within which the United States has sought to structure inter-American relations. If a conflict were allowed to run its course without the effective intervention of the Organization of American States to impose mediation, the meaninglessness of the Rio Pact—and specifically Article 7 of that

mutual defense treaty—would be underlined. Successful OAS mediation of the dispute, however, would be unlikely in the absence of purposeful American leadership.

It is not at all certain that hostilities will occur in the region. However, the existence of potentially important resources, the control of which depends on outstanding territorial disputes, creates strong motivation for the use of force. Added to this economic incentive is an uneven military buildup which has been accentuated by the declining role of US military assistance in the area.

In a previous issue of *Parameters*, Caesar D. Sereseres pointed to the "limitations of gaining 'influence' and protecting economic interests via security relationships" in Latin America.³¹ His arguments are based in part on the realization that the region's military establishments are assuming a greater degree of policy freedom and that there is little real threat posed by Latin American countries to the United States. Nevertheless, gaining influence or reducing threats to our national security are not the only purposes for which our military assistance programs can or should be used.

A farsighted policy should recognize that our primary interest in Latin America is guaranteeing that its societies undergo an orderly political and economic development. War, and particularly defeat in war, reduces the probability of such orderly development. An armed conflict becomes a distinct possibility when nations with conflicting concrete interests experience uneven military development, as is presently the case in the Southern cone. The United States is not directly responsible for this military imbalance except in a passive sense. Still, we might be wise to assume some of the responsibility for reestablishing a balance to the area *unless we are prepared to determine beforehand* that the range of possible consequences of that imbalance will not involve the United States in a reactive posture.

The point is that if the United States would possibly feel compelled to seek to end hostilities in the area, the intelligent policy is preventative diplomacy before a crisis develops. It is better to manage situations than react to them. It is not suggested that the United States seek to control or manipulate events in the region, especially since it is doubtful that we could do so effectively. Rather, we should anticipate and move with events in a fashion that infuses some element of military balance into an area of geopolitical conflict.

NOTES

1. Argentina's claim to the Falklands rests on a brief Spanish occupation of the islands during the colonial period. The islands have been inhabited by British subjects for the past century and a half. See "Far and few," *The Economist*, 5-11 March 1977, pp. 76-77.

2. The other countries with territorial claims in Antarctica are Australia, New Zealand, South Africa, England, and Norway. England claims the territory south of its dependent territories in the South Atlantic, while Norway claims a portion of Antarctica which is not fronted by any land mass and which was first explored by Norwegians.

3. For a fuller treatment of this subject, see John Hickey, "Keeping the Falklands British? The Principle of Self-determination of Dependent Territories," *Inter-American Economic Affairs*, 31 (Summer 1977), 77-78.

4. The legal obstacles and ecological dangers concerned with krill fishing are discussed in Deborah Shapley, "Antarctic Problems: Tiny Krill to Usher in New Resource Era," *Science*, 29 April 1977, pp. 503-05.

5. *Ibid.*

6. The Soviets and Japanese both excel in efficient fishing techniques so that between the two of them they could well account for the total ecologically safe catch of krill. The willingness of the Soviets to overfish an area is attested to by recent difficulties in the Baltic Sea and the efforts of the EEC to protect its fishing industries from Russians. See "But what if the Russians won't stop fishing?" *The Economist*, 18-24 December 1976, pp. 49-50.

7. Shapley, pp. 503-05.

8. See the *United Nations Chronicle*, 14 (August-September 1977), 24-28.

9. Hickey, p. 79.

10. Argentina enjoys an advantage at present in that the Labour government in England feels that it would not be economically feasible to develop the Falkland Island resources without Argentine cooperation. See "Far and few," *The Economist*, pp. 76-77.

11. For a fuller discussion of the events of July 1976, see Stephen M. Gorman, "Peru Ten Years After: Military Rule and the Quest for Social Justice," *Government and Opposition*, 13 (Summer 1978).

12. The corruption and mismanagement of the Peruvian fishmeal industry and the subsequent labor difficulties are discussed in Carlos Malpica, *Anchovetas y tiburones* (Lima: Ediciones Runamarka, 1976), and Baltazar Caravedo

Molinari, "The State and the Bourgeoisie in the Peruvian Fishmeal Industry," trans. Stephen Gorman, *Latin American Perspectives*, 4 (Summer 1977), 103-23.

13. Chilean diplomatic overtures designed to avoid or postpone a showdown over the Beagle Channel Islands are reported in "Argentina and Chile: war war or jaw war," *Latin America Political Report*, 6 January 1978, pp. 4-5.

14. See Mariano Toledo, "Argentina: Nine Months of Military Government," *Monthly Review*, 28 (April 1977), 13-18.

15. See David Rock, "Revolt and Repression in Argentina," *Current History*, 74 (February 1978), 57-60. Rock points out that the military, in spite of some modest gains, is becoming more factionalized between right and left.

16. For a brief discussion of the difficulties facing Videla's moderate approach, see "A centimetre a day keeps Saint Jean at bay," *The Economist*, 11 June 1977, pp. 69-70.

17. See "Beagle Channel: how the sabres are rattling," *Latin America Political Report*, 20 January 1978, p. 19.

18. Ronald Bruce St. John, "Hacia el Mar: Bolivia's Quest for a Pacific Port," *Inter-American Economic Affairs*, 31 (Winter 1977), 73.

19. Rene Antonio Mayorga, "The State and Economic Development in Bolivia: 1952-1975," trans. Stephen M. Gorman, *Latin American Perspectives*, 5 (Summer 1978).

20. Klaus Knorr, *Military Power and Potential* (Lexington, Mass.: D. C. Heath and Company, 1970), p. 23.

21. Liisa North, "The Military in Chilean Politics," in *Armies and Politics in Latin America*, ed. Abraham F. Lowenthal (New York: Holmes and Meier, 1976), p. 176.

22. US Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers, 1966-1975* (Washington: US Government Printing Office, 1977), calculated from data on p. 16.

23. *Ibid.* Calculated from data on pp. 20, 24, and 43. Note that percentage increases reflect increases in constant dollars.

24. *Ibid.*

25. John Paxton, ed., *The Statesman's Yearbook, 1977-78* (New York: St. Martins Press, 1977), pp. 760-63, 824-28, and 1240-41.

26. *Ibid.*, pp. 760-63 and 824-28.

27. *Ibid.*, pp. 1240-41; and Norman M. Smith, "The Buildup of Soviet Gear in Peru's Army and Air Force," *Armed Forces Journal International*, 114 (May 1977), 22-24.

28. *World Military Expenditures and Arms Transfers, 1966-1975*, pp. 57-58, 61, and 70. Dollar amounts are for arms received and do not reflect orders for arms.

29. Smith, pp. 23-24.

30. For the context within which Dulles formulated this view, see Walter LaFeber, *America, Russia, and the Cold War: 1945-1975* (New York: John Wiley and Sons, 1976), p. 156.

31. Caesar D. Sereseres, "Inter-American Security Relations: The Future of US Military Diplomacy in the Hemisphere," *Parameters*, VII, No. 3 (1977), 55.

