

THE BLUE BOOK
THE MARITIME
CLAIM
OF BOLIVIA

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PRESIDENCY OF THE REPUBLIC
MINISTRY OF FOREIGN AFFAIRS

INTRODUCTION

When the Republic of Bolivia became independent in 1825, its territory included 400 kilometers of coastline on the Pacific Ocean. Fifty-four years later, Chile invaded and took by force the territory that linked Bolivia to the sea. These facts, documented by history, form the basis of our claim.

The War of the Pacific (1879) deprived the country of much more than its sovereignty. It took away a fundamental point of gravitation for the nation. The economic potential represented by the Pacific and South Pacific was lost. Bolivia has suffered other territorial losses, in the Plata, the Chaco or Amazons, but none have had such repercussions for the nation as the loss of its coastline.

125 years later, we continue to uphold our maritime claim. The international context may have changed but economic integration, world markets and the resolution of century-old conflicts such as the issue of sovereignty over the Panama and Beagle Canals are proof to the international community of peoples' capacity to find ways towards dialogue and understanding in the face of a common future.

Although Bolivia's maritime claim is in essence a bilateral matter, it is not only of concern to Bolivia and Chile, but also to the region as a whole, its stability and process of integration. There is a joint historic vocation, reflected in a common economy, language, culture and future, between the south of Peru, the north of Chile and the west of Bolivia. The process of integration from the Atlantic to the Pacific, which includes Brazil, Argentina, Paraguay and Peru, will not be complete if Bolivia and Chile fail to resolve definitively the issue of sovereignty. This is so because the bioceanic corridors that run through our territory, linking both oceans, will only work in a fluid, clear, useful and, above all, positive way for the region once we have resolved this problem, a problem which hinders and will continue to hinder what is, historically, an unavoidable process of integration.



Diplomatic and historical background
regarding the loss of the Bolivian
seacoast and its consequences for
increasing poverty in Bolivia ➤

The last “Changas” Indians of the Atacama coast, Bolivia, André Bresson, 1871.

BOLIVIA'S HISTORICAL PROPERTY TITLES ON THE PACIFIC SEACOAST

Bolivia has historical property titles on the Pacific seacoast. Its rights on the territories located on the coasts of the Pacific Ocean go back to the Spanish colonial period and its legality is beyond any doubt. However, because of some Chilean historians' persistence trying to demonstrate their arguments contrary to facts, we feel obliged to recall the historical and diplomatic background.

THE VICEROYALTY OF PERU

The Viceroyalty of Peru was established by Spain in 1542 as an administrative and political entity. During the colonial period, it included the present territories of Colombia, Ecuador, Bolivia and Peru as well as Chile and Argentina. Different historical studies testify that the boundaries of the Royal Audiencia of Charcas, the administrative entity on which the Republic of Bolivia was established later on, reached the coasts of the Pacific Ocean. The Royal Audiencia of Charcas extended from the Loa River in the North (21°N Lat.) and the Salado River in the South (between 26° and 27° S Lat.). Laws IX and XII of the "Recopilación de Indias" (1) clearly established that jurisdiction. In fact, when Bolivia was born as an independent republic in 1825, that was precisely the jurisdiction of the Bolivian Department of Potosí.

On April 18, 1548 Spanish peacemaker La Gasca defined the boundaries between the Viceroyalty of Peru (to which the Royal Audiencia of Charcas belonged) and the Capitanía of Chile, having established the 25th parallel as the northern demarcation line of Chile. The same criteria was also expressly mentioned to Emperor Charles V by Pedro de Valdivia, the Conqueror of Chile in a letter dated October 15, 1550.

It is clear that Chile never owned any territories beyond the Copiapó Valley, and that fact was subsequently recognized in all maps published in the world until 1880. Based on that rationale, the Bolivian sovereignty was unquestioned as far as the 25th parallel.

THE VICEROYALTY OF RIO DE LA PLATA

Since 1776, it was decided that the Real Audiencia of Charcas be under the jurisdiction of the Viceroyalty of Rio de la Plata. In fact, this new Viceroyalty was created with the "gubernaciones" (governorates) of Paraguay and Tucuman, Charcas and the province of Cuyo, that is to say, extending over the present territories of Bolivia, Argentina, Paraguay, the Eastern Strip and the Brazilian state of Rio Grande. The Royal Audiencia of Charcas had four districts, namely, La Paz, Santa Cruz, Potosí and Charcas. The District of Potosí was divided into six sections, namely, Porco, Chayanta,

Atacama, Lopez, Chichas and Tarija.

Consequently, the littoral on the Pacific Ocean or Atacama was part of Potosi. Atacama had as its boundary the Salado River, next to the Paposo (25°S Lat 31' 36").

CREATION OF THE REPUBLIC OF BOLIVIA (1825)

Bolivia was established as an independent Republic in 1825. After the Independence War from Spain the territories of the new American States were established under the principle "UTI POSSIDETIS JURIS OF 1810". The Bolivian territory included the former Royal Audiencia of Charcas. In 1826, Mariscal Antonio José de Sucre, President of Bolivia took measures to modernize the political division of the country. As a matter of fact, Bolivia was divided into five "départements", namely Chuquisaca, La Paz, Cochabamba, Santa Cruz and Potosí. These political and administrative units were also subdivided into provinces, and these last ones into "cantons". Atacama, having as its capital San Pedro de Atacama belonged to the jurisdiction of Potosi. It was a dry and arid region, without water which had, however important nitrate, borax and copper ores.

Only in 1837, the Department of Litoral was created. It was politically subdivided into two provinces, namely, La Mar with its capital, Cobija

and Atacama with its capital San Pedro de Atacama. When Bolivia was born as a Republic, the Litoral had around 3,700 inhabitants. In 1885, 5,500, and in 1879, the population was of 15.000 people. Its area was nearly 120.000 square kilometers (around 46,153 square miles). Two rivers defined its boundaries, the Loa River to the North (Peruvian border line) and the Salado River to the South (Chilean border line). The ports on the Bolivian coast were Antofagasta, Cobija and Tocopilla, the bays of Mejillones, Algodonales and Herradura and the small bays of Catico, Guanillos, Michilla, Tames, Gualaguala, Cobre and Paquica. Also some small towns such as Calama and San Pedro de Atacama have developed within this territory.

FIRST TREATY OF FRIENDSHIP, COMMERCE AND NAVIGATION SIGNED BETWEEN BOLIVIA AND CHILE

The territorial status of Bolivia was never questioned by Chile. In fact, the 1822, 1823 and 1833 Chilean Political Constitutions recognized that the northern boundary of Chile was the Atacama Desert. This position is also reflected in the first bilateral Treaty on Friendship, Commerce and Navigation signed by both countries. This was approved by the Congress of Chile between 1833 and 1834.



Dr. Rafael Bustillos, Foreign Minister of Bolivia and negotiator with Chile. His 1863 report sets the historical and juridical basis for the rights of Bolivia in the Pacific Ocean.

CHILEAN INCURSIONS ON BOLIVIAN COASTS

The growing importance of nitrates in the world markets together with the fact that Bolivia had a scarce population in the province of Atacama and reduced economic resources to exercise its authority, encouraged many Chilean adventurers since 1840 to settle in that territory and exploit it

without Bolivian permission. Bolivia wanted to solve these violations through friendly dialogue with migrants. However, Chile refused to talk about the issue while it continued occupying the Bolivian territory.

FIRST TREATY ON BOUNDARIES SIGNED BETWEEN BOLIVIA AND CHILE (1866)

The first Treaty on borders between Bolivia and Chile was signed on August 10, 1866. The boundary was settled on parallel 24° S Lat. It also determined the partnership in the exploitation of guano, metals and minerals in the territory between parallels 23° and 25° S Lat. In this way, Chile achieved its goal to advance as far as the 24° S Lat. and was allowed to work and exploit existing riches as far as 23° S Lat.

SECOND TREATY ON BOUNDARIES SIGNED BETWEEN BOLIVIA AND CHILE (1874)

On August 6, 1874 the second Treaty on borders was signed between the two countries. It maintained the division line on 24° S Lat. and the rights for Chilean exploitation as far as 23° S Lat. It was also agreed that Chilean industries would not be taxed during 25 years.

On June 1875, a Complementary Treaty to this instrument was signed in order to amend Articles 3 and 10 and incorporate an arbitration clause.



Territory referred to in the 1884-1904 Treaties. Bolivia - Chile boundary as per the 1872 and 1874 Treaties.

THE TEN CENTS TAX

After the ratification of the 1874 Treaty, a British Company asked the approval of a concession to exploit nitrate. The Bolivian Congress determined to charge 10 cents to every “quintal” (100 pounds) of exported nitrate. This measure provoked a claim from Chile that thought the treaty was violated in spite of the fact it was meant to apply only to Chilean enterprises, not British. Then the Government of Bolivia declared that it was open to accept arbitration provided by the same treaty.

THE OCCUPATION OF ANTOFAGASTA

Nonetheless, on February 14, 1879 Chile decided to occupy the port of Antofagasta where there were no military forces. After having taken over Antofagasta, Chile occupied the ports of Cobija, Mejillones and Gatico, the small towns of Calama and San Pedro de Atacama, besides the mining ores in Caracoles.

THE PACIFIC WAR

In 1879, Bolivia was led to a war that did not want nor looked for. It had to defend its sovereignty and because of a defensive treaty signed with Peru, it intended to stop the invasion to that territory. Chile declared war to Bolivia and Peru on April 5, 1879. The conflict was unfair because Chile, aware of its purpose had armed itself in advance.

Bolivia and Peru found themselves almost without war means, and the aftermath of the war was the loss of the Bolivian Littoral on one hand, and the occupation of Tarapacá, Tacna and Arica on the Peruvian side.

The 1879 Pacific War started with the Chilean armed invasion to the Bolivian littoral. It is important to point out the heroic defense of Calama where Eduardo Abaroa, the most outstanding Bolivian civil hero, played a crucial role. As a consequence of that conflict, the country lost 120.000 square kilometers (around 43,153

square miles) of its territory along with 400 kilometers (248.6 miles) of its coast line, including



Eduardo Abaroa, civilian hero, immolated during the defense of the Topater Bridge.

several ports, bays and small bays as well as its sovereign access to the sea.

In the Bolivian lost territory, copper ores were discovered at Chuquicamata one of the most important mines not only in Chile but in the world. Also, important resources of guano and nitrate were lost. All of this has contributed greatly to the

development of Chile. Besides, some of the most important deposits of sulfur were found later on in the former Bolivian province of Atacama. Another consequence of the littoral loss was that Bolivia could not benefit from the hydrologic riches and natural resources of the sea bed. Last but not least, progress and prosperity of the northern region of Chile is due to the active commerce that exists at present with Bolivia.

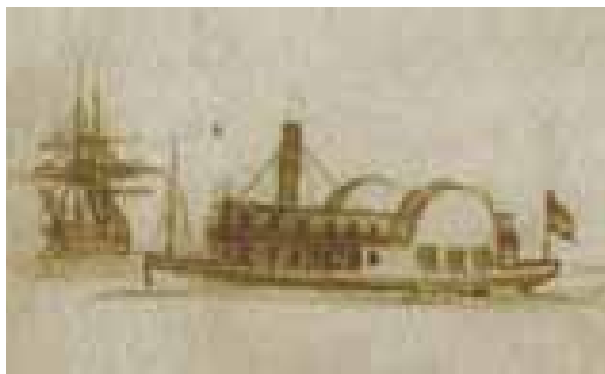
THE PROPOSALS OF THE CHILEAN CHANCELLOR DOMINGO SANTA MARIA

On December 3, 1879 the Chilean Foreign Affairs Minister, Mr. Domingo Santa Maria, who became later on President of Chile, wrote a letter to his friend, Jose Victorino Lastarria, that reads as follows: “We, now owners of the whole Bolivian littoral and of the whole Department of Tarapaca should give a way out and an entrance door to Bolivia...” A year later, on November 1880. Santa Maria would repeat these same ideas in another letter addressed to Rafael Sotomayor, Minister of War in campaign: “Let us not forget that we cannot drown Bolivia. Deprived of Antofagasta and the whole littoral which it owned before, as far as the Loa (River) we should give it a port of its own an outlet that allows it enter without fear, without asking for permission...” Santa Maria did not conceive Bolivia as a land-locked country and asked if his country without consulting interests

other than those of its own, could modify the map of (South) America.

THE ANCON TREATY SIGNED BETWEEN PERU AND CHILE (1883)

The 1883, the Treaty of Ancon established peace between Peru and Chile. Peru has given up the Tarapaca province to the latter and agreed on having a plebiscite to define the status of the Peruvian provinces of Arica and Tacna in Chile's possession. The plebiscite never took place due to the opposition of Chile. The Chilean Government, after subscribing the Ancon Treaty, began stating that it was not possible to give Bolivia an exit to



Through the mediation of the United States, the representatives of Bolivia Mariano Baptista and Juan Crisóstomo Carillo; Antonio Arenas and Antonio Garcia representatives of Peru; and Eusebio Lilo and Francisco Vergara representatives of Chile met on board the "Lackawana" corvette of the United States in October 1880; acting as moderator, Thomas Asbora, of the United States. At this meeting no agreement was reached due to the exorbitant demands of Chile relative to the cession of territories and indemnities.

the sea through its former territory because, as the Peruvian province of Tarapaca was given up to Chile, it could not divide in two the territory it had occupied. Any solution had to be done to the north of Tarapaca and once it was defined the situation of Tacna and Arica.

THE TRUCE PACT (1884)

Bolivia, threatened by new hostilities with Chilean troops concentrated in Puno, Tacna, Mollendo and Calama, felt compelled to sign a Truce Pact on April 4, 1884 in Valparaiso, Chile. Because of this international instrument, Chile justified the occupation of the Bolivian territories annexed during the war and decided to administrate the Bolivian custom-houses and took over the revenues as a war tribute. The terms of the Pact were maintained confidential until congresses of both countries approved it in 1884. On May 30, 1885, it was also signed a Complementary Protocol. Both instruments were entirely beneficial to Chile and encouraged the expansion of Chilean products in the Bolivian market. Thus, Chile's hegemony was complete.

THE ANNEXATION OF ANTOFAGASTA

On July 12, 1888, the Chilean Government took action on a bill of law that created the Chilean Province of Antofagasta, which was discussed and

approved by the Chilean Senate earlier in January 1887.

Bolivian authorities protested not only because of the Senate's decision but particularly, for the creation of a province on Bolivian territory which was not given up in the Truce Pact. In spite of this, Bolivia could not impede the annexation of its territory. Antofagasta was rich in nitrates.



Dr. Mariano Baptista negotiated the 1874 Treaty. In his position as President of Bolivia he negotiated the 1895 Treaty on board the U.S. corvette "Lackawana".

Bearing in mind that nitrates were widely used to increase the agricultural productivity, they became Chile's main source of exports income until the First World War.

TREATY OF PEACE AND FRIENDSHIP SIGNED BETWEEN CHILE AND BOLIVIA (1895)

Bolivia and Chile were very close to reach a final peace agreement in 1895, when both governments signed five interrelated accords. The first one concerned Chile's sovereignty on Bolivian occupied territory, mentioned in the 1884 Truce Pact, and financial obligations resulting from war and Chilean occupation. The second one, made reference to the cession of Arica or the small bay of Vitor by Chile, after the dispute between Chile and Peru solved their dispute. The third one was on Commercial Rules. The last two Protocols, considered indivisible and a "comprehensive package", ruled credits and financial obligations. These treaties did not enter into force because the Chilean Congress did not approve the fifth protocol that dealt with the indivisibility issue of both instruments concerning the transference of territories and the rebuilding of peace.

ABRAHAM KONING'S DIPLOMATIC NOTE

At the beginning of the 20th Century, the Chilean Government appointed Abraham Koning as

Minister Plenipotentiary in La Paz, Bolivia. On August 13, 1900, Mr. Koning addressed a diplomatic note to the Government of Bolivia, containing an “ultimatum” that diplomatic history remembers as one of the most brutal and cynical document of all times, because it was meant to consolidate the right to acquisition of territories by force. The diplomatic note read as follows: “At the end of war, the victorious nation imposes its conditions and demands payment for expenses. Bolivia lost and did not have money to pay for, so it surrendered its littoral. This cession is indefinite, for an indefinite period of time; So it says the Truce Pact: It was an absolute cession, unconditional, perpetual... As a consequence, Chile does not owe anything, does not have any obligations, not even to give a piece of land nor a port (to Bolivia) It is an error widely disseminated which is daily repeated on the streets by the media to believe that Bolivia has the right to claim a port in compensation for its littoral. There is no such a thing. Chile has occupied the littoral and has grabbed it with the same criteria that Germany annexed Alsace-Lorraine to the Empire, with the same title the United States of North America has taken over Puerto Rico. Our rights are rooted in victory, the supreme law of nations.... The fact that the littoral is rich and is worth lots of millions, we already knew that. We keep it because of that same

reason. If it did not we would not have interest to keep it for ourselves.

This letter was an ultimatum to the Government of Bolivia, and in the long run, it settled the terms of the Peace Treaty that both countries would sign later on.

FRIENDSHIP AND PEACE TREATY SIGNED BETWEEN BOLIVIA AND CHILE (1904)

Bolivia, without ports, nor transit facilities, as well as its customs under Chilean administration, and also with its territory on the seacoast militarily occupied, was forced to accept the terms of a draft treaty imposed by Chile on December 25, 1903.

The aforementioned treaty was rubricated in Santiago by Ministers of Foreign Affairs Pinilla for Bolivia and Edwards for Chile. The treaty ratified the terms of Abraham Koning’s ultimatum in 1900. The final version of the Friendship and Peace Treaty was signed in Santiago, Chile on October 20, 1904.

In exchange for the littoral, Chile gave Bolivia free transit facilities, an indemnity of 300.000 L (British pounds) and a railroad from Arica to La Paz, in the understanding that the section on Chile’s side would be under its administration. This is how Bolivia became a land-locked country.

It is important to underline the fact that since 1904, Bolivia was tireless and persistent in its claims to return to the coasts of the Pacific Ocean.

CHANCELLOR SANCHEZ BUSTAMANTE'S MEMORANDUM

On April 22, 1910, Bolivian Chancellor Daniel Sanchez Bustamante, following President Eliodoro Villazon's directions, addressed a diplomatic note to Peru and Chile in which Bolivia explained its just claims and argued its willingness to obtain an outlet to the Pacific Ocean through the territories of Tacna or Arica which were under Chilean rule at the time, due to the fact that the Treaty of Ancon was in force.

Sanchez Bustamante said: "Bolivia cannot live isolated from the sea.

Today and always, it will do its utmost in order to have at least one useful port on the Pacific and will never remain passive every time the issue of Tacna and Arica is brought up, since the foundations of its very existence were threatened.... The Ministers cabinet in La Paz is ready to make proposals and satisfactory compensations to Santiago and Lima, in the understanding that they would like to begin negotiations and consider Bolivia's situation in the spirit of justice".

In spite of the tone of this request, Bolivia's claim did not succeed, mostly because the definite status

of Tacna and Arica was not solved and it would remain unsolved for almost twenty years more.

THE LEAGUE OF NATIONS

After the First World War (1914 – 1918) there was a possibility to discuss the Treaty of 1904. First, at the Paris Conference in 1919, and later on at the League of Nations in 1920, the Bolivian delegation has proposed to revise the aforementioned treaty along with Peru who in principle had the same position concerning the Treaty of 1883. (Later on, that country withdrew its request).

At the same time, Chile declared that the League did not have the authority nor the power to adopt decisions concerning amendments to international instruments. However, the Chilean delegate Agustin Edwards offered formally to solve the Bolivian Maritime Problem.

THE ACT OF JANUARY 10, 1920

The diplomat Emilio Bello Codecido who as Chancellor of Chile had signed the Treaty of 1904, visited La Paz in 1920 in order to sign an Act with Chancellor Carlos Gutiérrez. Bello Codecido made it clear that the Chilean Government was willing to propitiate a policy of the most sincere and closest understanding with Bolivia and also, to do its best to promote an agreement that allowed Bolivia to fulfill its concern regarding a sovereign

access to the sea with the purpose of building solid foundations for a future friendship between both countries. Chile was open to offer Bolivia an outlet to the ocean by giving up an important piece of land in the northern part of Arica and inside the railroad line in the territory subject to plebiscite , as has been stated in the treaty of Ancon.

THE KELLOG'S PROPOSAL

On November 30, 1926, the American Secretary of State, Frank Kellog, who was also a mediator in the dispute between Peru and Chile, considered the unjust situation of Bolivia after it lost its littoral and decided to send a Memorandum to the governments of both countries. Kellog proposed that they grant to Bolivia, in perpetuity, every right, title and interests they might have in the provinces of Tarapaca and Arica. The Chilean Government decided, in principle, to consider Kellog's proposal while Peru refused to surrender those territories. The Kellog's proposal was very near to obtain a final solution to the question of Tacna and Arica and allowed Bolivia to get closer to solve its geographical seclusion.

THE TREATY OF 1929 SIGNED BETWEEN PERU AND CHILE

In view that the plebiscite provided in the Treaty of Ancon signed between Chile and Peru did not take place, the United States of America promoted

a negotiation between those countries. As a matter of fact, it was agreed that Chile would keep Arica, while Peru would do the same with Tacna.



Ambassador Alberto Ostria Gutierrez, signed the Notes of 1950 with Walker Larrain, Minister of Foreign Affairs of Chile.

Bolivia felt impaired by this treaty, because in a Complementary Protocol, it was stipulated that the Governments of Chile and Peru could not, without a previous consent, give up to a third power the whole or part of the territories mentioned in the Treaty of 1929. The reference to a third power was a clear allusion to Bolivia. "Since then - says Daniel Salamanca , a former Bolivian President,

Chile locked the outlet to the sea for Bolivia and gave the key to Peru”.

THE 1950 NOTES

In 1950, the Bolivian Ambassador in Chile, Alberto Ostria Gutierrez, and the Minister of Foreign Affairs of Chile, Horacio Walker Larrain, exchanged important Diplomatic Notes in which they proposed that their governments start formal negotiations to satisfy the Bolivian concern by granting a corridor in the northern part of Arica. That proposal was favored by Gabriel Gonzáles Videla, President of Chile at that time. However, he required a non territorial compensation. The compensation formula for Chile contemplated “to grant to Bolivia a strip of land, 10 kilometers (around 6 miles), neighboring the Peruvian border, running along the littoral, so that Bolivia could communicate with the Pacific Ocean through its own territory and build a port. In exchange, Chile could benefit from the waters of the Titicaca Lake to generate electricity for the provinces of Tarapacá and Antofagasta.

INTERVENTION OF HARRY TRUMAN

After different international initiatives were launched by the Bolivian diplomacy to update the maritime problem, the American President Harry Truman proposed that by peaceful means and direct negotiations, Chile and Bolivia consider

formally the seacoast problem. At an OAS General Assembly, he said: “The waters of the high Andean mountains between Bolivia and Perú could be used to build a garden in the South American coast in the western side of Chile and Peru, giving Bolivia a port on the Pacific in exchange. The United States was open to finance the development of that region. Unfortunately, those diplomatic démarches were not fruitful.

THE DEVIATION OF THE WATERS OF THE LAUCA RIVER

In the middle of a tense and difficult bilateral relation, in April 1962, Chile decided to deviate the Lauca River waters, an international river of successive course. As a matter of fact, Bolivia presented a claim to the OAS, but this Organization was not effective in solving this

problem. The result was the breaking up of diplomatic relations between both countries.

THE 150TH ANNIVERSARY OF THE INDEPENDENCE OF THE REPUBLIC OF BOLIVIA.

On August 6, 1975, the Organization of American States commemorated the 150th Anniversary of the Declaration of Independence by the Republic



In the location of Charaña, the President of Bolivia, Gen. Hugo Banzer and the President of Chile, Gen. Augusto Pinochet, signed the Agreement that bears the name of that border location.

of Bolivia. In that opportunity a declaration was adopted making an explicit reference to the Bolivian maritime problem for the first time. The text of the declaration says: “The Permanent Council of the American States declares the following: “It is of continental concern Bolivia’s situation of (geographical) seclusion. This is why all American States offer to cooperate by conciliating reciprocal interests and promoting constructive understandings in the search of solutions that, according to international law, and in particular, to the Charter of the Organization of American States, help Bolivia to remove the difficulties that the situation of seclusion has brought along for its economic and social development.

It is important to point out what the Chilean delegate declared at that commemoration: “The Chilean delegation associates itself to the 150 anniversary of the Independence of Bolivia in a spirit of brotherhood, expressing its best wishes for the progress and welfare of its people. We share with joy this historical date that belongs also to the Americas where the political independence of South American countries has definitely culminated... The Chilean delegation approves the declaration of the Permanent Council and reiterates the spirit of the Joint

Declaration of Charaña expressing once more its solidarity”.

NEGOTIATION BETWEEN 1975 AND 1978

IN 1975, a negotiating process on a corridor and an enclave was started which implied the reestablishment of diplomatic relations between Bolivia and Chile. This process is known as the “Embrace of Charaña” and was led by former Presidents General Hugo Banzer from Bolivia and General Augusto Pinochet from Chile. The Government of Bolivia has asked Chile for a sovereign seacoast between the Concordia Line and the limit of the urban area of Arica. This coast should continue through a sovereign land strip as far as the Bolivian-Chilean border, including the transference of the Arica–La Paz railroad. The Chilean answer on December 19, 1975 was: “The proposal responds to reciprocal interests and it should not have any innovations regarding the Treaty of 1904. Chile would be in a position to negotiate the cession of a strip to the North of Arica as far as the Concordia Line... The road to Tambo Quemado would stay in Chilean territory. The aforementioned cession would be conditioned to the simultaneous exchange of territories... Installations or existing state owned buildings (Chacalluta Airport, Arica –Visviri Railroad, etc) in the territory to be surrendered will be acquired



President, Walter Guevara-Arce, addresses the General Assembly of the Organization of American States in La Paz, Bolivia.

by the state that receives the territory in agreed prices. Afterwards, because of the Treaty of 1929, Chile made consultations with Peru on the issue. Peru proposed the alternative of a tripartite geographical area. Chile broke up the negotiation process, in spite of the fact that Peru made its position more flexible. In brief: “The Embrace of Charaña” meant that the three countries presented their positions. In view that those negotiations were not successful, in March 1978 Bolivia and Chile broke up diplomatic relations once more.

RESOLUTION 426 OF THE OAS GENERAL ASSEMBLY

At the Commemoration of the Centennial Anniversary of the Pacific War, during the OAS General Assembly, Bolivia obtained Resolution 426, considered the most important in the multilateral level. This resolution points out that the Bolivian maritime problem is an issue of permanent hemispheric interest and that it is necessary to search for a just and equitable



Map of the proposed Corridor of Chile to Bolivia in 1975.



Bolivian-Chilean Agreement for the Corridor cutting across the shared sovereignty zone, suggested by Peru, 1976.

solution that provides Bolivia with a sovereign and useful access to the Pacific Ocean. The resolution recognizes that the Bolivian maritime problem does not only affect Bolivia and Chile, it recommends, besides, to start negotiations in order to give Bolivia a free and sovereign connection with the Pacific Ocean.

MAIN OAS RESOLUTIONS

From 1979 to 1989, the OAS adopted eleven resolutions (one every year) on the Bolivian

maritime problem. Chile has joined the consensus in 1980, 1981 and 1983.

Resolutions approved in 1980 and 1981 call upon concerned States to start, through relevant channels a dialogue that allows the most satisfactory solutions.

The 1983 resolution calls upon Bolivia and Chile, in the name of American brotherhood, to initiate an approaching and strengthening process of both nations, oriented to normalize their relations, including in particular, a formula to facilitate



Guillermo Bedregal, Minister of Foreign Affairs of Bolivia and Jaime del Valle, Minister of Foreign Affairs of Chile participated in the negotiations of what was known as the “fresh approach”; with them is the President of the Interamerican Development Bank, Enrique Iglesias.

Bolivia a sovereign outlet to the Pacific Ocean based on reciprocal conveniences, rights and interests of the concerned parties”.

In the above mentioned situations there has been a willingness of Chile to compromise the beginning of negotiations in order to search for a solution to the Bolivian maritime problem.

THE NEGOTIATION OF 1986- 1987

In 1986, the Government of Uruguay offered its cooperation so that both countries could negotiate

the maritime problem in Montevideo. In April 1987, at Montevideo Bolivia demanded a corridor and the cession of the following enclaves: Tocopilla and the small bays of Camarones and Michilla.

The Bolivian Chancellor submitted two Memoranda. In the first one, Bolivia asked Chile the cession of a sovereign and useful seacoast linked to its territory through a strip of land of its own, limiting to the North with the Concordia Line, and to the South with the Lluta River as far as a point located to the West of Colonel Alcérreca and



Presidents Jaime Paz-Zamora of Bolivia and Alberto Fujimori of Peru signed the Agreements “Mariscal Santa Cruz on January 24, 1992. Through these Agreements Peru ceded two free zones to Bolivia. One of them a free industrial zone and the other one a tourist zone, as well as facilities for the administration of the Port of ILO for a 99 year term.

from there, a geodesic line as far as landmark XI of the present boundary between Bolivia and Chile. The second Memorandum proposes three types of alternatives for enclaves located in territories not subject to the Treaty of 1929, namely, one in Camarones small bay as far as Pisagua, the second, from Tocopilla to Cobija, and the third, from Mochilla small bay to Mejillones.

On April 21 and 23 1987, the Chilean delegation accepted ad referendum the aforementioned Memoranda.

On June 1987, Chile declined the consideration of such proposals and rather offered to study palliative solutions to Bolivia's geographic seclusion.

THE GOVERNMENT OF JAIME PAZ ZAMORA

Bolivian president Jaime Paz Zamora addressed his Chilean homologous Patricio Aylwin on the need of solving the maritime problem. On the other hand, Bolivia signed with Chile an Economic Complementary Accord (ACE 22) with the purpose of widening and diversifying the exchange of goods and services between both countries. During his administration, the OAS General Assembly approved a resolution which affirms the importance that the solution of Bolivia's maritime problem has, bearing in mind both parties, reciprocal advantages, rights and interests in order to reach a better it

understanding, solidarity and integration in the hemisphere. Besides, calls upon the parties to dialogue and leaves open the consideration of this problem to the request of parties concerned, for next Ordinary Sessions of the OAS General Assembly".

At the end of Jaime Paz Zamora's Administration there was a strong political detachment between Bolivia and Chile.

REPORTS ON THE MARITIME PROBLEM OF BOLIVIA AT THE OAS GENERAL ASSEMBLY

Since 1950, Bolivia has decided to submit Annual reports on the Maritime Problem to demonstrate the permanent damage the geographic seclusion causes to its economy, which paradoxically represents meaningful benefits for Chile. These reports have received the solidarity of different countries of the Inter American community.

THE GONZALO SANCHEZ DE LOZADA ADMINISTRATION

During his first government term the formula : "Without conditions and without exclusions" was proposed. In six different opportunities, it was intended to open negotiations in order to obtain a sovereign outlet to the Pacific Ocean but without results. Finally, there was a bilateral rapprochement through confidential emissaries to

talk about the maritime problem. Both sides exchanged information and explored solution formulas which, however, did not flourish.

THE HUGO BANZER SUAREZ ADMINISTRATION

One of the purposes of his administration was to present persistently the Bolivian seacoast claim. In this context, the Bolivian and Chilean Chancellors met at Algarbe, Portugal, and established a new open Agenda . Since then on, there were three political encounters of the highest level. On September 2000, Presidents Hugo Banzer and Ricardo Lagos met in Brasilia, in Panama (November 2000) and in Quebec (April 2001). As a result, Bolivia and Chile included in the Agenda all essential matters relevant to their bilateral relations, “without any exclusion”.

THE JORGE QUIROGA RAMIREZ ADMINISTRATION

After Banzer’s resignation, Jorge Quiroga Ramirez succeeded to the Presidency. In November 2001, he met Chilean President Ricardo Lagos to continue conversations on the bilateral agenda. One of the main goals in Jorge Quiroga’s external

agenda was to develop the Pacific LNG Project concerning the exportation of Bolivian natural gas to North American markets through ports on the Pacific. At the same time, he wanted Bolivia to benefit from the gas exports, so that the country could have presence and gravitation on the Pacific by creating a Special Economic Zone.

During Sanchez de Lozada’s Second term (August 2002-October 2003), negotiations on the Pacific LNG Project continued but without results.

COLOPHON

Bolivia maintained diplomatic relations with Chile from 1890 to 1962. In this period of seven decades, Bolivia tried on several occasions to negotiate sovereign access to the sea, without success. In April 1962, Chile refused to consider the maritime question, despite raising it in a memorandum sent previously to the Bolivian Ministry of Foreign Relations. Moreover, Chile decided unilaterally to alter the course of the Lauca River towards the Pacific Ocean, thus causing environmental damage to the original watercourse, which flows into the Coipasa saltpan. For this reason, Bolivia felt obliged to decide to

break off diplomatic relations, until such time as Chile decided to address these pending issues.

Despite the Chilean position, the national government presided by General Hugo Banzer Suarez renewed diplomatic relations in 1975, after the Chilean President Augusto Pinochet agreed to begin negotiations to put an end to Bolivia's maritime confinement. However, given the inflexibility of the Chilean government in the bilateral negotiations, the principal reason why these did not move forward, the Bolivian government decided to break off relations again in 1978. The lack of diplomatic relations is proof to the international community that there is a problem pending between both countries, that Chile must settle. There is no doubt that in the event of favourable negotiations between Chile and Bolivia – something Bolivia has sought throughout the 20th century – full diplomatic relations will be renewed.

To conclude, it is worth emphasizing that the recovery of the coastline is a permanent foreign policy goal for Bolivia which can never be given up. Chile is the only country in the Western hemisphere with which Bolivia does not have diplomatic relations, proof that there is an issue outstanding between both countries. The Bolivian people suffer daily the cost of confinement. In the

present day, in spite of possessing vast reserves of natural gas, Bolivia cannot export such reserves directly for the benefit of its people.

II



R Recent events ➤

View of Cobija, Bolivia, André Bresson, 1871.

In the frame of the United Nations General Assembly, on September 24, 2003, Carlos Mesa, Vicepresident of the Republic of Bolivia at the time, made reference to the Bolivian sea coast demand and asked Chile to act in the light of the 21st Century circumstances. At the 58th Plenary Session of the UNGA, he said: “Today, more than ever before, I want to reaffirm at this forum that Bolivia will never relinquish its just claim for a sovereign access to the Pacific Ocean, because it was born as an independent Republic with a sea coast. This demand, which is already more than one hundred years old, is not the result of obstinacy or caprice but of the shortage of our economic resources and huge geographic handicaps that diminish our market competitiveness. The fact of having been land-locked holds back not only our economic growth but also the welfare of our citizens as the analysis of the challenges faced by all land-locked countries has shown.

The restoration of the status of a coastal state is an act of justice and it has been for us unavoidable. In this understanding, we will continue searching for solidarity and support from the international community.

Our vocation and determination towards integration and economic complementation with neighboring countries lead us to call upon the

Government and people of Chile to act looking at the future, by repairing a historical damage that has kept us anchored in the seventeenth century.

Two days after, before the OAS Permanent Council, the Bolivian Vicepresident pointed out the need to solve, as a first priority issue, the selling of natural gas to the United States and Mexico. Carlos Mesa explained at the OAS the deep crisis in Bolivia and the acts of violence all over the country which undermined its democratic stability.

Mesa said:” I believe we are going through a polarization of the country, a radicalization of positions, thus, we need dialogue, to come nearer, and the will to give up positions. For Carlos Mesa, radicalism should not be formulated when the future of the country was being decided.

Concerning the sea coast problem, Carlos Mesa said that the War of 1879 between Chile, Bolivia and Peru has changed Bolivia into a land-locked State. The country, which had a coastal area of more than 120,000 square kilometers (around 46,153 square miles) lost that territory as a consequence of the Pacific War.

That territory was unjustly seized from Bolivia and it is a historical obligation for all Bolivians to recuperate a free and sovereign access to the sea.

Bolivians have always been absolutely categorical about this claim.

Later on, the Vicepresident recalled that Bolivia and Chile have a traumatic and unresolved relationship in which Bolivia demands Chile to update its anachronistic position according to the requirements of the 21st Century. For a country that has looked at the future with so much intelligence, it would be also very important to

look at its future relationship with Bolivia. According to the Bolivian Government, the Bolivian claim does not imply an excessive sacrifice from Chile, a privileged country for its long coast, and which has by nature, a relation of complementarity with the western part of Bolivia and the southern part of Peru.

PRESIDENTIAL MESSAGE ON JANUARY 4, 2004



President Carlos D. Mesa-Gisbert placed the maritime demand of Bolivia in the most important international scenarios.



After the October crisis exploited, the demand for a sea coast was brought up again in the regional and multilateral levels. On January 4, 2004, President Carlos Mesa addressed Bolivians and the international community underlining that the Bolivian Seacoast Problem lay at the core of the violent events in October. One of the crucial questions at that moment was if the Bolivian gas was going to be sold or not through a Chilean port. A great majority of Bolivians expressed their opposition to this alternative because there was a pending problem with Chile. Before deciding to benefit a specific region of that country, the Government and people of Bolivia wanted to recuperate their sovereign access to the sea.

The Bolivian claim is not only a bilateral question. In October (2003), it became a potential element of destabilization in the region because it put at risk the Bolivian democracy and generated a critical situation marked by uncertainty. The neighboring countries and other States in the region were concerned because the Bolivian crisis could extend itself over other nations. For that reason, at present, the Maritime Problem of Bolivia is a matter of interest for the international community, and thus, stability in the region goes necessarily through the solution of the Bolivian Seacoast Problem.

The Government and the people of Bolivia are grateful to the President of Venezuela, Hugo Chávez; to the President of Cuba, Fidel Castro; to the President of Brazil, Luiz Inácio Lula Da Silva; to the President of Uruguay, Jorge Batlle; to Former President of the United States of America, Jimmy Carter; to the Secretary General of the United Nations, Kofi Annan, for all of them, who on behalf of their countries, organizations or convictions have supported and support Bolivia today. Those voices of support and solidarity ratify that the claim of Bolivia is legitimate, just and absolutely necessary for its development and it is linked to stability in the region.

The Government of Bolivia demands Chile an attitude coherent with innovative currents of the 21st Century, appeals to Chile's understanding, for both countries will not be able to have a flowing relationship, unless the question of sovereignty is solved. The people of Bolivia would like to think deeply together with the President of Chile and the Chilean people on the future of their mutual relations. Both nations can build a common destiny, once Bolivia has returned to the coasts of the Pacific Ocean.

If the solution to the Maritime Problem of Bolivia has to go through the decision of Peru, the Bolivian Government appeals to the constructive

spirit of the Peruvian people. Bolivia and Peru are closely united by their culture, history, a common past, present and future. We hope Peru can give a positive answer, if it were necessary, concerning a fundamental issue for Bolivia.

THE EXTRAORDINARY SUMMIT OF THE AMERICAS

During the extraordinary Summit of the Americas, convened at Monterrey, Mexico in January 2004, President Carlos Mesa declared that: “we look at the future with faith, and convoke President Lagos and the Chilean Government to search together with us a definite solution to our sea-coast claim. The Bolivian Head of State declared that international good relations respond to the need of solving problems which should be solved for a reason of justice.

Afterwards, the President of Bolivia pointed out that the re-establishment of diplomatic relations between Bolivia and Chile will become a reality in the very moment that the Maritime Problem has been solved definitively. The proof that such a problem existed was that it was being discussed.

At his arrival in La Paz, President Mesa said that in the Bolivian Government’s understanding the re-establishment of diplomatic relations would be a reality when the Maritime Problem of Bolivia was definitely solved, and it will not be the starting point but the end of the negotiation process. Then, Mesa has observed his Chilean colleague’s lack of coherence, for he has affirmed that the Maritime Problem of Bolivia was a bilateral one, but at the same time, he avoided a presidential encounter.



Heads of State and Government participated at the Extraordinary Summit of the Americas in Monterrey, Mexico.



Former Ministers of Foreign Affairs of Bolivia represented at the Strategic Advisory Board.

First row: Julio Garret A., Juan Ignacio Siles Minister of Foreign Affairs, President Carlos D. Mesa Gisbert, José Galindo, Carlos Iturralde, Edgar Camacho O.

Second row: Agustín Saavedra W., Carlos Saavedra, Gen. Cesar Ruiz, Antonio Aranibar.

Third row: Javier Murillo, Mario Velarde, Gustavo Fernández

SUPPORT FROM THE BOLIVIAN CONGRESS

The Bolivian Congress, in a Special Session, on January 20, 2004, approved Declaration 002/03 and Resolution 019/03-04. In the Declaration the National Congress of Bolivia expressed its firm conviction that the sea coast claim is an inalienable right of the Bolivian people. Secondly, it states its strongest and most determined support to the actions taken by the President of the Republic in the international arena regarding the

Bolivian Seacoast Claim oriented to obtain a free, sovereign and useful outlet to the Pacific Ocean. Thirdly, it states that the Bolivian people, represented by its main social, political and economic organizations maintains the most solid unity on a historical claim, and finally it expresses its appreciation to governments and peoples of the region and the international community for their support to Bolivia.

At the meantime, the Congress Resolution, approved points out in the first place, that on February 14, it is the 125th anniversary of the Chilean occupation and October 20 is the Centennial Commemoration of the Treaty of 1904 concluded between Bolivia and Chile. It also states unanimously that the Republic of Bolivia has not renounced and will never renounce to its legitimate right of return to the sea.

Thirdly, it recalls that Chile is the only country in the hemisphere with which Bolivia does not have diplomatic relations, (a fact) that shows the existence of a problem.

The Resolution also mentions that Bolivia has important natural gas resources which can not be directly exported for Bolivia does not have a seaport of its own.

At the end, the document points out that the Bolivian Seacoast Claim is a matter that needs to be approached bilateral and trilaterally whenever a definite solution to the problem is being searched, and multilateral, because it has become an issue of hemispheric and international interest (concern).

Based on that rationale, the Bolivian Congress decided to conform a Special Committee headed by both Commissions of International Relations (Senate and Deputies Chamber) in order to coordinate permanently with the Executive Branch

all relevant actions oriented to obtain a solution for the Bolivian Seacoast Problem, and instructed members of Congress to disseminate at all regional, continental and world inter-parliamentary fora the just Bolivian Seacoast Claim, asking for their support and solidarity in the solution for its geographical seclusion.

Never before, the National Congress has shown such a unity and unanimity concerning the Bolivian Seacoast Claim.

III



Recent declarations of support to the
Bolivian maritime claim ➤

Bolivian corvette in the border of Chile-Bolivia, André Bresson, 1871.

‘I have been made aware that access to the sea is a very important matter to the Bolivians and I understand there are conversations under way. I am well-disposed to offer my services to help reach a solution’.

Kofi Annan, United Nations Secretary General, November 2003.

‘Bolivia once had a sea... and I dream of coming one day to bathe on a Bolivian beach’.

Hugo Chavez, President of Venezuela

November 2003.

‘The solution to the Panama Canal issue should bode well for the peaceful solution of other disputes in our hemisphere. With the same spirit of friendship and accommodation, we should tackle other problems such as Bolivia’s access to the sea... the difficult decisions can only be made by Bolivia, Peru and Chile. However, we are willing, along with the Organization of American States, the United Nations, and other countries, to find a solution to the land-locked status of Bolivia; one which is acceptable to both parties and which contributes to permanent peace and the development of the region.’

Jimmy Carter, Former President of the United States and Winner of the Nobel Peace Prize.

June 1978

“... One feels that Chavez is in tremendous form. When he says ‘give the sea back to the Bolivians’, he comes across as much more convincing than others when they say the same. There cannot be a more just demand. You hear him and he has such tremendous force.”

Fidel Castro, President of Cuba

December 2003.

“It’s a bilateral question between Bolivia and Chile... and in the event of an agreement between both countries which implies a territorial solution in Arica... Peru will have a positive and friendly attitude”.

Alejandro Toledo, President of Peru

January 2004.

“...We understand that this problem is very sensitive and that there are different visions, but that it must be resolved by the two countries through dialogue. And if there is a way we can help, very well, but we won't offer solutions of our own design. Evidently this is a bilateral problem, but with regional repercussions in South America and therefore it's a problem which is of interest to all of us, but we don't want to prejudge what the solution will be... Chile and Bolivia must enter into discussions, and if we can help at some stage, we will do so”.

*Celso Amorim, Brazilian Foreign Minister
December 2003*

“Buenos Aires proposed a plan for Bolivia's access to the sea before all the recent events which have caused such trouble. We called it the Corridor for Peace, a strip on the border between Peru and Chile, to be administered by Mercosur, with Bolivia, Chile and Peru, as a 99 year concession to avoid the constitutional problem of having to cede territory. The plan included the construction of a road, a gas pipeline, and a railway. We felt this to be a sound solution to the problems posed by strictly bilateral solutions”.

*Rafael Bielsa, Argentinean Foreign Minister
January 2004.*

“In Monterrey, Chile and Bolivia have once again clashed, without success, over the question of Bolivia's access to the sea. Relations between both countries were broken in 1978, when negotiations over this matter failed, although both countries do maintain consular relations. The controversy is over 120 years old, going back to the War of the Pacific of 1879: Chile then seized the strip of land now claimed by Bolivia”.

*Article of the Osservatore Romano
January 2004.*

“...The maritime claim is one of the few themes in Bolivian history which has helped consolidate the unity of the nation. It is an aspiration which transcends all the ethnic, regional and ideological divisions that customarily plague Bolivians... I will also, along with Commandant Chavez, bathe in the cold waters of the Bolivian sea, for which I sang so many hymns in my childhood in Cochabamba”.

*Mario Vargas Llosa
January 2004.*



“To the extent that only from the coast can sovereignty over the sea be assured, confinement is a misfortune for the state: Bolivia’s rights to high sea traffic are conditioned by the good will of its maritime neighbors. There is only one thing worse than not having a coastline: having once possessed it and lost it, as happened to Bolivia as a result of its defeat in the War of the Pacific (1879), a frustration that can only be compared with that of losing the light after knowing Granada”.

Antonio Remiro Brotons, Professor of International Law, Autonomous University of Madrid, 2004.



The Viceroyalty of Peru, the Audience of Charcas, today Bolivia, with borders over the Pacific Ocean – Italian Map of 1776.

IV



C Chilean notables in relation to the
Bolivian maritime claim ➤

Mejillones, Bolivia, in the background the Consulate of Chile with the Chilean flag, André Bresson, 1871.

“Let us not forget that we cannot let Bolivia choke. Deprived of Antofagasta and of the entire coastline it once possessed up to Loa, Bolivia must be provided with its own port in a section of the coast, a corridor that allows the country to cross into the interior without worry, without having to ask for permission”.

Domingo Santa Maria, in a letter addressed to the War Minister, Rafael Sotomayor, 1880.

“Once Bolivia ceases to be a land-locked nation, the cause of its worries and ravings will end. All the alarm and ferment that has come in the wake of Bolivia’s unceasing search for national identity through the sea will simply vanish; once in possession of a maritime territory, and once satisfied its aspirations, Bolivia will be able to achieve peace with Chile and there will be tranquility in this part of the continent.”

Luis Barros Borgoño, Former Minister of Foreign Affairs and Former Vice President of the Republic, 1892.

“It is clear that Chile, with its thousands of miles of coastland, cannot feel the same maritime need as Bolivia; it’s a case of having more than enough. In contrast, it is just and humane that Bolivia, which does not have even an inch of coast, is highly desirous of acquiring whatever extension possible, however small it may be. Generally, what one has in abundance is of little concern or value. How different when one desires what one no longer possesses.”

Aquiles Vergara Vicuña, Army Artillery Colonel, Member of Parliament and Minister of State, 1938.

“It is curious how alarmed men get about trifles. Bolivia asks for a port. Could anything be more logical? Any territorially large country would do the same in such a situation. We Chileans, if we were in the Bolivians’ position, would we not also seek access to the sea? I believe and I assert, as a Chilean and as a human being, that we must enter into discussions with Bolivia as soon as possible, and that both countries must and can resolve this great problem of the Bolivian nation’s access to the sea in a generous and amicable way. It is not right to stifle a nation and it would be inhuman to do so. Generosity must come from both parties so that in this way no sacrifices are made that later cause bitterness and the seed of future resentment.”

Vicente Huidobro, one of the great figures of Chilean thought and lyricism, 1938.

“Since Bolivar, these conditions have got worse. Bolivia’s territory, too extensive and defenseless, has been sliced off on its four borders. Without access to the sea, the country has become land-locked, isolating it still more, and, especially, conditioning the Bolivian character.”

Enrique Zorilla, politician and writer, 1958.

“Arica should be the land of no-one and everyone; a totally free port... in such a case, Bolivia would be able to satisfy its maritime aspirations, Peru would no longer have border problems and Chile would have a commercial center... Arica is only important as a border bastion.”

Benjamin Subercasseaux, author of ‘Chile or a Mad Geography’, 1962.

“People shamelessly ignore the fact that when the Republic of Bolivia was born on August 6, 1825, inspired by Bolivar and declared by Marshal Antonio José de Sucre, the Great Liberator spoke with resonance of a port for the recently born community, that of Mejillones and that of Loa... The constitutions of 1828 and 1833 recognized that the limits of Chile are Cape Horn in the south and in the north the Atacama Desert. The fundamental letters cited clarify the northern limit as ‘up to’ the unpopulated Atacama.”

Juan Carlos Medina, journalist, 1966.

“The formula we found after careful studies was to consider the handing over to Bolivia of a strip of land 10 kilometers wide to the north of Arica, contiguous to the Peruvian border, which would run from the coastline to the present border, enabling Bolivia to communicate with the Pacific Ocean through its own territory and build its own port”.

Gabriel Gonzalez Videla, Former President of the Republic, 1975.

“Chile, in a gesture of openness, must overcome protocol and the stereotypical diplomatic phrases and give a beautiful example to America and the world. Chile must take the initiative and stretch out a fraternal hand to the Bolivian people. A hand of equity. A generous hand of openness. And behind that hand, the heart of the Chilean people, eager to find a just solution for their Bolivian brothers, equitable, dignified and honorable to their problem of being land-locked.”

Jaime Celedón, writer and journalist, 1979.

“The issue of access to the sea, however, is ultra sensitive, an aspiration which can never be given up by Bolivia and devilishly complicated for us, since it has also to do with our relations and even our treaties with Peru. Yet should we continue to be trapped by the consequences of a 19th century war, an anachronism?”

Jorge Edwards, diplomat, novelist and journalist, 1984.

“...And do we have anything more urgent than our reconciliation with Bolivia? This is about reconciliation between two brothers. What matters is not so much to see who is to blame (generally both parties) but to achieve reconciliation... This is why I am an ardent supporter of reaching an agreement with Bolivia, because it is also in Chile’s interest. If this were not so, why are we maintaining Consular relations?”

R.P Fidel Araneda Bravo, literary critic and writer, 1987.

“Chile should not begin by asserting that “it has no obligation to anything”, which legally is correct, but questionable if one takes a historical view; Bolivian writers and men of government, for their part, should refrain from accepting the corridor ‘for now’, insisting that ‘we’ll see about the return of the seized coastline later’; and Peru should put all its cards on the table, honestly seeking an agreement suitable to all. It is the obligation of Chileans, Bolivians and Peruvians to cooperate in the search for a grander future, founded on a present in which tri-national interests are paramount, inspired by a century of efforts, which, I am convinced, have not been in vain.”

Oscar Pinochet de la Barra, diplomat and writer, 1987.

“Let’s not throw dust over our eyes; let’s not fall for the simplicity, the illusion, of supposing that Bolivia, over time, will forget the lost coastline, and become convinced it no longer needs it. Whatever Chile (and Peru, for sure) wants or doesn’t want, does or doesn’t do, the country of the Altiplano will continue to cry out for the sea. It’s not a passing fancy; it’s a question of patriotic identity, unforgettable, unavoidable and unchangeable”.

Gonzalo Vial, historian, 1988.

“... Relations between Chile and Bolivia, from the start and right up until today, with only very few exceptions, have been dominated by the lack of a community of interests and mistrust. There is almost no

period in which these two peoples, brothers in America, have been able to work decidedly together for a common progress, making possible the historical imperative of solidarity in international relations.”

Sergio Carrasco, historian, 1989.

“...Chile never had a legitimate right to the disputed territories, the motive for three treaties to establish limits with Bolivia... the wounds left by the War of the Pacific, a terrible war, as are wars between brothers... will only heal when Bolivia gains sovereign access to the Pacific Ocean. We fool ourselves in vain with the erroneous idea that we owe nothing to Bolivia. We owe her a port... Bolivia was born with a legitimate and sovereign coastline. She had her own sea, seized by Chile in an act of robbery. That is why Bolivia will never abandon its aim to recover even only a strip or corridor giving it sovereign access to the sea. For Bolivia this is a question of national dignity, of patriotic honor.”

Cástulo Martínez H., historian, 1990.

“...In the name of CEDECH and of the Mariscal Sucre University, my country, and more specifically, the diplomacy of the Mapocho six years from the 21st century and on the edge of the third millennium, I cannot ignore the aberrant violation of Human Rights represented by the confinement of this Fatherland which I feel as my own.”

Pedro Godoy, professor and historian, Director of the Center for Chilean Studies, 1994.

“I’ll tell you right now so as to save time, and especially to those who never admit the reasons which contradict their prejudice: some day we will have to give, lend, let, or however you wish to call it, access to the sea to Bolivia. And we should begin to think about this rather than take refuge automatically in the letter of the treaties and patriotic rhetoric.”

Fernando Villegas, sociologist and writer, 1995.

“Bolivia, in my view, is emerging from a position of confinement to one of articulation. That is what I perceive and understand from our discussions and conversations with Bolivia: a role as articulator of the center of South America, with Peru, the north of Chile, and Paraguay. A country no longer isolated as before but with great potential for future coordination and projection.”

Sergio Bitar, President of the Party for Democracy, Senator for Tarapaca, 1996.

“If I was President of Chile, I would hand over a port to the Bolivians, but the problem is that I don’t have the competencies to make that happen... I’m just one of those Chileans who’d like to see the Bolivians with a port in the sea”.

Jorge Soria, Mayor of Iquique, 1998.

“I recognize that there is a problem in the sense that there is a historic Bolivian claim, and one can moreover understand the reasons for seeking a sovereign access to the Pacific. In effect this matter has always been present in our bilateral relations... Chile is not unaware that there are outstanding issues. How to resolve them is what we have to look at. I know it’s a complex process both in Chile and in Bolivia, but I think the claim is relevant for the future and for history. That is why, rather than internationalize a conflict that is not international; we need to create the conditions for dialogue, trust, and the multiplication of our common potential interests...”

Jaime Gazmuri, Senator, Member of the Parliamentary Commission for Foreign Affairs, 1999.

“It is difficult to understand that an unfortunate war, which ended at the end of the 19th century, continues to get in the way of relations between Chile and Bolivia at the beginning of the 21st century”.

Oscar Pinochet de la Barra, 2001.

“The problems are political more than commercial. Bolivia feels resentful, and you can’t resolve the issue with 30,000 tons of sugar nor with more money, or less. It’s just the same with people. You can’t buy people with money. Countries are like people. They have temperaments, feelings, dignity. Perhaps I’m wrong, but if I’m fighting with someone, giving them money to make them less angry won’t work. You can’t confuse the world of commerce with the world of politics...”

“Is that the reason why the conversations should be trilateral?”

“Yes, trilateral.

“And you, do you accept the idea of a corridor for Bolivia?”

“Yes, of course. I am party to the idea, but I’m also quite pessimistic, because I know that for Peru it’s very difficult to accept something like that.”

Gabriel Valdez, Former Foreign Minister and present-day Senator, 2004.

“There is an entire country, a neighbor of ours, on our borders, crying out, protesting that it does not have normal diplomatic relations with Chile, a highly abnormal state of affairs for sure. Is there really no controversy? Apparently there is no legal or diplomatic controversy according to the letter of the treaties, but in the facts there is a controversy, a serious and profound one”.

Jorge Edwards, 2004.

“Many of us Chileans –at least 10%, that is a million and a half- would gladly bathe on a Bolivian beach, as Chavez said.”

Manuel Cabieses Donoso, journalist, director of the Punto Final magazine, 2004.

“To negotiate Bolivia’s access to the sea does not mean renouncing rights and legitimately won in a war; it is an act of governmental good sense”.

Pablo Simonetti, journalist, 2004.

‘I am convinced that the only way to resolve the Bolivian demand is the corridor to the north of Arica, on the line negotiated in the 1970s”.

Edmundo Perez Yoma, Former Minister of Defense and Former Consul General in Bolivia, 2004.



Map of the territorial possessions of the Upper and the Lower Peru – By Eduardo Ydiazquez, 1810.



C Costs of being land-locked / costs of
confinement ❖

Shield of the Prefecture of the Littoral Department.

ECONOMIC DAMAGES WHICH HAVE THEIR ORIGIN IN THE 1904 TREATY.

By virtue of the 1904 Treaty, Bolivia was obliged to cede its coastline in perpetuity to Chile in exchange for compensations with which Chile had to comply. The Chilean government has not complied with these compensations, principally in the following aspects:

- a) The Chilean recognition in favor of Bolivia ‘and in perpetuity, of its plentiful and free right to commercial passage through its territory and ports in the Pacific’.

The Government of Chile makes mention in innumerable fora, of the benefits of the free passage regime favouring Bolivia. The same government forgets to mention, however, that although Peru enjoys a long stretch of coastline, Chile has conceded to Peru a series of access facilities in Arica, which Bolivia, a land-locked country, does not possess. In effect, by virtue by the Executor Act of 1999, Chile offered Peru, the other country involved in the War of the Pacific, three facilities which Bolivia does not enjoy: a customs office, a docking peer and railway station. It must be emphasized, moreover, that Bolivian exports must pay to cross the border. The movement of goods through Chilean ports is not

free. The dispositions set out in the Treaty of 1904 and in other complementary agreements are constantly flouted for administrative, sanitary, security and other reasons, leading to a steady stream of complaints on the part of Bolivian users of the ports.

Chilean institutions and authorities charge Bolivian transport workers excessively and unjustifiably. Arbitrary fees are charged, for example, for the service of transferring containers in transit (GATE IN/GATE OUT.TACK) as well as for taking empty containers from the port to naval warehouses. Since the concession of the Port of Antofagasta to the International Antofagasta Terminal Company (ATI) on March 1, 2003, Bolivian minerals for export have seen an increase in port tariffs of 26% per ton. To this has to be added the double handling of the cargo from the stocking center in Portezuelo, near the city of Antofagasta, to the port, which represents an additional cost to Bolivian entrepreneurs of \$ 2 Dollars per ton. plus the storage cost of the IMO cargo. This significant cost increase has meant that various Bolivian companies have had to stop exporting minerals.

In addition, the movement of merchandise from and to Bolivia through Chilean territory has not always been ‘ample and free’. To the contrary,

there have been numerous cases in which the Chilean authorities have restricted or impeded this right. The case which most affected the interests of Bolivia occurred in the Chaco War, when the Chilean authorities impeded the movement of freight bound for Bolivia, a breach of the Treaty of 1904 and of the Convention on Commercial Traffic of August 6, 1912. In a similar way, the Chilean authorities acted unilaterally to stop the embarkation of minerals bound for world markets as a consequence of the nationalization of the mines decreed by Bolivia on October 31, 1952.

Moreover, on occasion, the movement of Bolivian freight has been disrupted by labor disturbances in Chile such as strikes, or protests by the port workers union in Arica or Antofagasta. Chile is in the process of privatizing its ports, and this is also affecting the free transit regime of Bolivian goods. The privatization process goes against the very spirit of the free transit regime enshrined in the Treaty of 1904 and the Conventions of 1912 and 1936. Bolivian rights to free transit are also international obligations which must be complied by the Chilean State, of the *intuitu personae* type, meaning that such obligations cannot be transferred to a private agent. These are intrinsic responsibilities of the Chilean State. From the perspective of international law, licensed private firms cannot assume the obligations of the Republic of Chile in relation to the Bolivian State.

Moreover, in the case of the privatization of the port of Antofagasta, there has been a marked increase in the costs related to the export of minerals, and this has affected the competitiveness of the sector. The coming bid for the port of Arica is even more of a concern, because monopolization is likely to result from putting out to tender all the docking facilities, and the cost of the services offered by this port, in which Bolivian freight accounts for 80% of the total will surely rise.

- b) The Treaty of 1904 establishes that: “The Republic of Bolivia will have the right to build customs offices in the ports it has identified for its commerce. For now, the ports authorized for Bolivian commerce are Antofagasta and Arica”

In application of these dispositions and in the framework of the Integrated Transit System, there is a Bolivian customs agency, the Port Services Administration – Bolivia (ASP-B), in operation in the ports of Antofagasta and Arica. ASP-B supervises the movement and storage of Bolivian transit goods, as well as controlling merchandise from overseas bound for Bolivia. The privatization of the ports limits ASP-B’s control over Bolivian freight as set out in the prevailing legislation.



General Charter of Southern America and the isles that are part thereof, Paris, 1826.

Likewise, it should be emphasized that, although the Treaty of 1904 establishes in favor of Bolivia the right to ample and free transit through Chilean ports and territory, the authorities of this country have not been forthcoming in attending Bolivian requests to fit out new ports for its foreign trade aside from Antofagasta and Arica.

- c) Both countries will recognize and protect the rights of 'national and foreign citizens who have legally acquired property in the territories which, according to this Treaty, are under the sovereignty of one or other country'.

Article 2 of the 1904 Treaty offered protection to those Bolivian citizens who had property in the territories which fell under the jurisdiction of Chile, by virtue of the same Treaty. In breach of this Article 2, the Chilean authorities passed a law obliging Bolivian citizens 'to present themselves to the authorities in defense of their rights within four months of this law's promulgation'. The Supreme Court of Chile itself, violating the property rights of Bolivians over the El Toco nitrate fields, ruled against what is stipulated in the Treaty of 1904.

THE GEOGRAPHICAL AND ECONOMIC COSTS OF THE WAR OF THE PACIFIC.

Bolivia lost a territory of 120,000 km² to Chile. In this territory were discovered the Chuquicamata copper fields, the most important of Chile and the world. Decades later, as the Former President of Chile Salvador Allende, declared: copper became 'the salary of Chile'. Bolivia also lost considerable reserves of guano, nitrate and sulphur, which have contributed to Chile's development.

The high transport and service costs incurred by Bolivia limit its access to international markets in the same conditions as other countries with a coastline, making the country less competitive. National exports must moreover absorb integrated transport costs to access the ports.

Likewise, Bolivia has not been able to develop, among other activities, marine produce industries that are dynamic on the world market and enjoy high prices. Neither has Bolivia been able to develop shipping services and industries, such as shipbuilding, naval products, port services, piloting and storage (silos, warehouses, etc.).

Another consequence of losing the sea-board is that Bolivia cannot access the natural resource

wealth of the ocean floor such as marine life, mineral or oil.

The country is moreover at a very significant disadvantage in terms of its ability to participate in service trade and maritime transport with a fleet of its own under the Bolivian flag.

It should also be pointed out that part of the progress and prosperity of northern Chile can be attributed to trade with Bolivia. 80% of the freight that passes through Arica is Bolivian, Bolivian mineral producers use the port of Antofagasta, and most of the contraband affecting Bolivia comes from the Iquique Duty Free Zone.

On the political front, Bolivian claims for access to the sea are frequently used by Chilean governments for internal reasons, to create consensus and gain domestic support.

Finally, it is ironic to recall that it was a Chilean military government, not a democratic one that had the courage to recognize the maritime question, seeking a definitive solution to the problem. The said negotiation failed, among other reasons because government opposition in the neighboring country considered that such an issue should be resolved by a more legitimate and better supported democratic government.

Nevertheless, despite the transition to democracy in Chile more than a decade ago, Bolivia's maritime claim continues unresolved.

OTHER COSTS RELATED TO CONFINEMENT

- High transport and port facility costs negatively affect the competitiveness of Bolivian products in international markets and make foreign trade, concentrated principally in trade with its neighboring countries, difficult to expand.
- It is difficult for Bolivia to project itself to the Pacific Rim, one of the world's principal poles for economic and commercial development in the last decades.
- Being land-locked limits the competitiveness of the Bolivian economy, making it difficult to attract foreign investment and technology transfer.
- In Bolivia, the 'maritime trade awareness' has weakened or been lost, a situation which does not allow for planning economic development and commercial agreements based on access to the sea.

- The lack of a sovereign sea-board has meant that Bolivia was unable to come into contact with the principal immigration flows headed for the coasts of South America in the 19th and early 20th centuries.
- The country has lost productive and service activity by not having access to the sea. Such activities have taken place in Chilean territory and benefited Chile's economy. It is worth mentioning road transport, rail transport, the use of ports, tourism, etc.
- The transport and port facility costs imposed by Chile must be paid in hard currency, representing a not insignificant currency drainage in favor of Chile.
- Various international organizations have undertaken studies that show the negative impact of the high costs incurred by land-locked countries. Of these, it is worth mentioning some IMF and UNCTAD studies, carried out in 1994 and 2001, which demonstrate that a large proportion of export earnings by land-locked countries are destined to pay for transport and insurance services.
- International analysts such as Jeffrey Sachs estimate that land-locked countries lose 0.7 percentage points in their growth rates, precisely because of their land-locked condition. This would mean that the costs of Bolivian confinement in the last ten years come to more than four thousand million dollars. One can imagine the effect on overall GDP growth of the last 120 years of maritime loss.

ECONOMIC LOSSES RESULTING FROM THE WAR OF THE PACIFIC*

The economic losses caused by the Peace Treaty of 1904 are enormous. In the first place, it meant the slicing off of 158,000 km² of its coastline territory, an area larger than Cuba, Jamaica, Trinidad-Tobago and El Salvador combined. Such a simple comparison speaks of the magnitude of the loss. But the damage was even greater in economic terms. In the territory lost by Bolivia as a result of the war were discovered, at the end of the last century, the fabulous copper fields of Chuquicamata, considered the largest in the world. Thanks to them, Chile became the first world exporter and second world producer--after the United States--of copper.

Until now, Chile has exported more than 20 million tons of copper, a difficult statistic to

evaluate with precision, but one that contrasts with the reserves of the entire Asian continent, equivalent to some 1.5 million tons, to which would have to be added the reserves of the whole of Western Europe, of some 2.3 million tons, and of the Soviet Union, which comes to some 16 million tons. In other words, solely in this century, Chile has exported as much copper as these various continents together have accumulated in reserves. All of this not taking into account the new reserves that are being discovered or have yet to be. It is estimated that at the current rate of extraction, the mines of Chuquicamata will continue to produce until the end of the next century. With much justification, Salvador Allende qualified Chuquicamata as the 'salary of Chile'. A salary that Bolivia has been paying for a century with the resources provided by mines situated in the territory that was once hers.

The loot gained by Chile in the War of the Pacific was not limited to territorial expansion and the exploitation of copper. One of the economic causes of the war of 1879 was the aim of seizing deposits of guano, a natural fertilizer left by sea birds over centuries. It has been calculated that in the last 50 years, Chile has extracted from these deposits over a million tons of fertilizer for the agricultural areas of the central and southern zones

of its territory. This is also a natural product taken from Bolivia.

To guano have to be added the sodium nitrate deposits present in the old Peruvian province of Tarapaca and the old Bolivian province of Atacama.

Beginning in 1880, with the military occupation of the said Bolivian province, Chile exported annually some 12,500 tons of nitrates, the value of which was equivalent to some 20% of total export earnings. Though it is true that the invention of synthetic nitrate, at the beginning of this century, has reduced international consumption of natural nitrate to a minimum, up until then Chilean exports of nitrate and its derivative iodine financed almost 70% of the fiscal income of the country. Until a little before the first European war, Chile had a world monopoly on nitrate production.

To this day, in this old Bolivian maritime province, can be found a few nitrate companies of medium importance.

It should also be mentioned that present-day Chile produces almost ten thousand tons of sulphur annually. Some of the principal deposits are to be found in the district of Ollagüe, situated in the ex-Bolivian province of Atacama.

In addition to sulphur there are deposits of molybdenum, manganese, lithium, iron and silver, present in varying quantities in the said territory.

The city of Antofagasta is one of the obligatory ports, in Chilean territory, for Bolivian exports and imports. It owes its progress and prosperity, especially, to commerce with Bolivia. The city's rail fares keep rising unilaterally and arbitrarily. In all the Chilean ports Bolivian merchandise is subject to deductions and other deleterious conditions.

Finally, it is worth mentioning, and with equal emphasis, that the economic damage incurred by Bolivia is just as serious in relation to its lost marine resources, including marine life and ocean floor natural resources.

*Walter Montenegro,
Lost Opportunities,
Los Amigos del Libro, La Paz, 1987.

THE COST OF BOLIVIA'S CONFINEMENT

The land-locked nature of the national territory without doubt has an impact on economic growth and on the social conditions of the country. This book sets out to identify the impacts of confinement, basically from an economic perspective.

- I. In point 1 a series of factors which affect the economic and social development of the country resulting from confinement are identified. Although most of the impacts are difficult to quantify, there is visible harm that can be observed objectively, even more so if comparisons are made with the material conditions of its maritime neighbors.

Thus, in this work an analytical approach is used in which first the obstacles to insertion in the international economy, in this era of globalization and open regionalism, are discussed. The obstacles mean that the national economy tends to look inward, losing the possibility of developing fully its potential competitive advantages, while fomenting at the same time a national mentality that is conservative and less open to the world. Confinement has meant that it has been impossible to benefit from marine resources that should be a universal heritage rather than the privilege of maritime countries. It has also meant losing out on human capital flows from immigration, and foreign investment. Confinement has led to serious limitations in foreign trade and the loss of autonomy in trade administration.

- II. The impacts of confinement on social conditions can be quantified by comparing the UNDP's Human Development Index (HDI) for maritime countries with those that have no access to the sea. Such a comparison allows us to assert that the living standards of the populations of land-locked countries are well below those of their coastal neighbors. This is not fortuitous, as the countries under comparison have relatively similar histories, cultures, and material resources.

HDI is an index that claims to capture in an integral way the dimensions of development of peoples in every country in the world. The

index takes into account three groups of variables that cover health conditions, education and income to satisfy basic needs.

While the HDI for Bolivia in 1994 was 0,589, the average HDI for its neighboring maritime countries (Brazil, Argentina, Chile and Peru) came to 0,789, 26% higher. Individual HDI comparisons with land-locked neighboring countries paint an altogether different picture, as in the case of Paraguay, and indeed of all other land-locked countries in the world, with the exception of Switzerland--a developed country--and Mongolia which only borders China (see chart).

Human Development Index (HDI) in Confined Countries (2001) (Comparison with the indexes of neighbouring non-land-locked countries)

	HDI GAP	HDI Avg. Neighbouring(*)		Neighbouring Countries (HDI)
Bolivia	0.672	0,798	26%	Argentina(0,849),Brazil(0,777),Chile(0,831),Peru(0,752),Uruguay(0,834)
Paraguay	0.751	0,803	12%	Namibia(0,627), Southafrican Republic (0,684)
Botswana	0.614	0,713	06%	Cameroon(0,499),Sudan(0,503),**Libya(0,770)
Chad	0.376	0,459	37%	Mozambique(0,356), Tanzania(0,400)
Malawi	0.387	0,329	03%	Guinea(0,425), Senegal(0,430), Mauritania(0,454), Argelia(0,704)
Mali	0.337	0,575	60%	Nigeria(0,463), **Libya(0,770)
Niger	0.292	0,474	57%	Sudan(0,503), Congo(0,502), Cameroon(0,499)
Centrafrican Rep.	0.363	0,382	07%	Kenya(0,489), Tanzania(0,400), Sudan(0,503)
Uganda	0.489	0,398	18%	China(0,721), Italy(0,916)
Mongolia	0.661	0,626	06%	Germany(0,821), France(0,925)
Austria	0.929	0,923	01%	
Switzerland	0.932	0,930	00%	

(*) This is a weighted average on the basis of the weight of the population in each country for the entirety of the neighbouring countries

(**) HDI data for Libya correspond to the year 1999.

Sources: Report on Human Development 1997(UNDP). International Financial Statistics (IMF)
Report on Human Development 2001 (UNDP) and Report on Human Development 2004 (UNDP).

Bolivia: Difference between the Potential GDP and the GDP observed (in Million U.S. Dollars)

Years	Potential GDP	Observed GDP	Difference Due to the Land-locked Condition	GDP Potential Growth Rate	GDP Observed Growth Rate
1988	4,611	4,486	126	3,60%	2,91%
1989	4,819	4,656	163	4,50%	3,79%
1990	5,074	4,872	203	5,30%	4,64%
1991	5,377	5,128	249	5,97%	5,27%
1992	5,504	5,213	291	2,35%	1,65%
1993	5,777	5,435	342	4,97%	4,27%
1994	6,087	5,689	398	5,37%	4,67%
1995	6,415	5,955	460	5,38%	4,68%
1996	6,723	6,199	524	4,80%	4,10%
1997	7,051	6,459	593	4,89%	4,19%
1998	7,432	6,762	670	5,40%	4,70%
TOTAL			4.017		

Source: Elaborated by UDAPE with Information Provided by INE - Department National Accounts

III. Finally, the book presents some specific quantifications of the cost, for Bolivian foreign trade operations, of transport and the use of port facilities and services in Chilean territory. Such costs are basically covered by exporters as a kind of tax that makes their goods more expensive and hence less competitive in the international market. In the case of imports, it is local consumers, who have no option but to acquire consumer goods and machinery at higher prices, who shoulder the cost. The combination of costs – road and rail transport, use of port facilities, and others – come to 30 million dollars a year.

1. Implications of Bolivia's confinement

The confinement of Bolivia, which has its origin in the war with Chile in the last century, has had and continues to have serious implications for the economic and social development of the country. The loss of the Bolivian coast has entailed much more than simple dismemberment and the loss of direct contact with the world. The result has been a quantitative reduction in its original natural resource endowment in the territory lost, such as guano, nitrate and copper principally, all of which have been efficiently exploited by Chile up to this day. Copper, which represents at present 35% of Chilean exports, is exploited in mines located in territory that once belonged to Bolivia, such as Chuquicamata, which is today the largest copper deposit in Chile.

Other implications of Bolivia's confinement include:

- The impossibility to use and exploit vast marine resources in the 200 mile wide territorial water zone.
- A national attitude that is 'less open' to the world, with repercussions in reduced production, less information, and fewer investments.
- Trade distortions suffered by land-locked countries. Most foreign commerce by land-locked countries takes place with its immediate neighbors, but these do not always offer conditions as favorable as other markets.
- More obstacles to making the most of the advantages of globalization and economic integration. In particular, the difficulty of economic projection in the Pacific Rim, one of today's most dynamic regions.
- Loss of foreign investment, which tends to flow to countries with greater access to the rest of the world. Foreign investment sees confinement as a limiting factor, given the increase in transport costs.
- Lack of contact with the immigration flows of the 19th and early 20th centuries, with resulting limitations in human capital development. The flow of immigrants to neighboring countries not only led to a considerable expansion of their internal markets, but also brought with it technology,

a more efficient entrepreneurial and work mentality, investment capital and international contacts, among others.

- The inward-looking tendency of the economy, resulting in distortions in productive development and insufficient competitive advantages.
- The economic impact of externalities lost by not having direct access to the sea, such as production and service activities.
- Obstacles to marketing due to the implementation of non- tariff barriers, such as the prohibition on the temporary storage of certain minerals for export, such as lead and zinc in Antofagasta at the present time.

2. Impact of confinement on social conditions

The standard of living and social conditions of the world population have been analyzed by the United Nations using a comparative index, the Human Development Index (HDI), applicable to every country in the world.

The HDI is an index which aims to capture in an integral way the various dimensions of poverty affecting the world population by country. The index takes into account three groups of variables that cover health conditions, education and income to satisfy basic needs. The representative variables

are respectively: 'life expectancy' for health, 'adult literacy' and 'school enrolment rate' for education, and 'real GDP per inhabitant' for income.

For the HDI published by PNUD in 1996 and estimated for 1994, it can be observed that the living conditions and level of human development of land-locked developing countries are well below those of neighboring maritime countries, reflecting the negative impacts of confinement on social well-being.

The difference in standard of living between land-locked African countries and their corresponding neighbors, with lower HDIs in the case of the former, is also very clear (see the chart).

3. Impact of confinement on economic growth

The macroeconomic impact of confinement on economic growth was analyzed and quantified by the prestigious economist, Jeffrey Sachs, who estimated that countries with no access to the sea lose 0.7 percentage points in their growth rates, precisely because of their land-locked status.

Applying Sachs' criterion to GDP growth in Bolivia, it can be observed that if the country had not lost its coastline, it would have reached higher

rates of production and growth than those so far achieved.

The chart shows the potential GDP at 1990 prices that would have been achieved without the percentage losses estimated by Sachs. The difference between real and potential GDP, and the corresponding loss in millions of dollars between 1988 and 1998, is shown.

In 1997, for example, it is estimated that the Bolivian GDP lost 593 million dollars, given that the real rate of GDP growth, of 4.19%, would have reached 4.89%. In the last ten years more than four thousand million dollars are estimated to have been lost as a consequence of confinement. Using this methodology, one can infer Bolivia's GDP loss in the almost 120 years since the loss of the sea in 1879.

4. Some quantifiable costs resulting from confinement

The quantifiable costs resulting from confinement include export and import costs to and from the ports located in the north of Chile; the costs of transporting merchandise and using port facilities.

Most transport of goods to and from the ports in northern Chile uses the two roads, La Paz – Arica and Oruro – Pisigua, and the railway lines La Paz

– Arica and Oruro – Antofagasta. The railway line running from Oruro to Antofagasta, in the Bolivian part, together with the line La Paz – Charaña, was sold to the Chilean firm Cruz Blanca S.A through the capitalization of the National Railway Company (Empresa Nacional de Ferrocarriles).

4.1 Road transport costs

The added value of road transport, given the monopoly assumed by the Bolivian Chamber of Transport, cannot be considered a cost of confinement; it is paid for by Bolivian traders to Bolivian transport operators, and therefore only includes transactions between Bolivians.

Yet there are costs borne by Bolivian transport operators in Chilean territory, such as vehicle maintenance, toll booths, fuel, lodging and others.

A rough calculation of these costs is based on the following premises:

- Total volume of trade in 1996: 1.315.893 tons
- Volume transported by rail: 645.000 tons
- Volume transported by road: 670.893 tons
- Number of journeys in a year (20 tons per trip): 33.544
- Number of return journeys: 16.772

- Fuel acquired in Chile (200 liters per trip): 354.400 liters
- Cost of buying fuel in Chile: 1.341.760 dollars
- Vehicle maintenance costs: 670.880 dollars
- Lodging and other costs: 1,677.200 dollars

Thus the total for these costs comes to an estimated 3.7 million dollars.

4.2 Rail transport costs

Foreign trade rail transport costs spent in Chilean territory are also costs attributed to confinement.

The following premises help to quantify them:

- Total volume transported in 1997 as imports and exports: 645.000 tons
- Length of the relevant rail network in Bolivia: 2082 km
- Length of the relevant rail network in Chile: 741 km
- Total length of the relevant rail network: 2,769 km
- Cost of transport in Chile (645.000 x 30 x 0,267): 5.166.450 dollars

Bolivian traders who use rail transport pay annually to the Chilean rail company some 5.2 million dollars.



4.3 The costs of confinement in relation to port facilities

Another cost incurred by commercial operators is the use of port facilities, such as cargo handling, storage, loading and unloading, among others, of import and export goods.

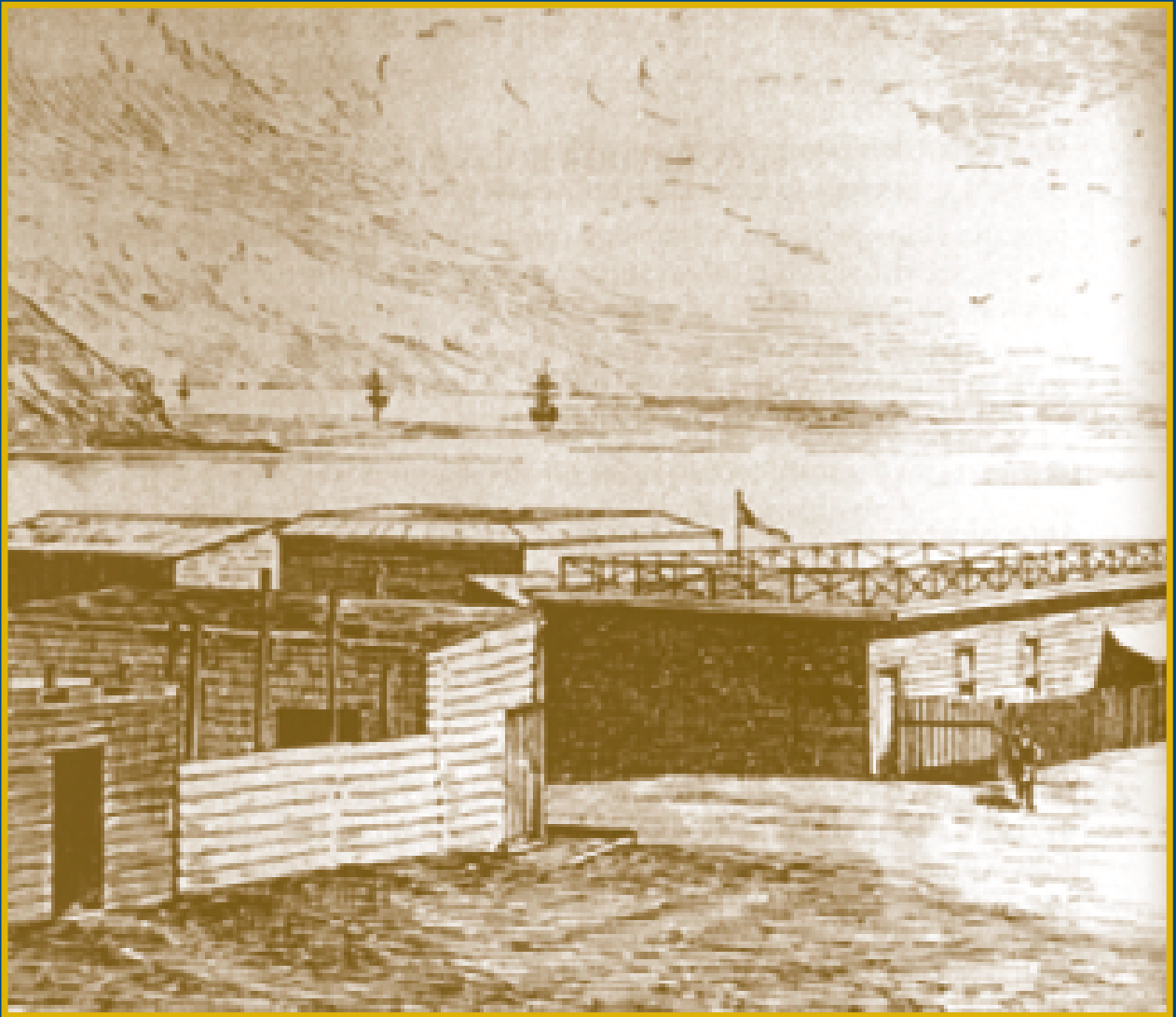
The use of port facilities represents a cost for Bolivian foreign trade which benefits the Chilean economy.

In 1995, the volume of exports and imports passing through Chilean ports came to 819.6 and 496.3 thousand metric tons respectively, a total of

1.3 million metric tons, handled in the ports of Antofagasta, Arica and Iquique. The commercial value of the trade came to 1,357.6 million Dollars, a little over 48% of the total value of Bolivia's foreign trade for that year.

The average cost of the port facilities, for the handling, storage, loading and unloading of import and export goods comes today to some 10 Dollars per ton, with some 20% going towards loading and unloading, and the rest to other operations.

❖ VI ❖



Cronology of the war of the Pacific ❖

View of Cobija, Bolivia, André Bresson, 1871.

February 14, 1879 Chile occupies the port of Antofagasta and Bolivia is dragged into the War of the Pacific.

March 23, 1879 the Defense of Calama. The Bolivian hero Eduardo Abaroa defends Topater Bridge on the Loa River.

April 5, 1879 Chile declares war on Bolivia and Peru.

May 21, 1879 The Peruvian iron-clad, commanded by Admiral Miguel Grau, sinks the Chilean corvette “Esmeralda” in Iquique, Peru.

October 8, 1879 Admiral Miguel Grau and his ship, “Huascar”, are defeated on Angamos Point, facing Mejillones, Bolivia.

November 2, 1879 Battle of Pisagua.

November 5, 1879 President Daza leaves for Tacna to meet the Chilean Army.

November 14, 1879 Hilarion Daza orders the retreat of the Bolivian Army from Camarones.

November 21, 1879 Battle of Tarapaca.

November 29, 1879 Battle of San Francisco.

December 29, 1879 A new government junta in La Paz relieves Hilarion Daza of his command and gives new orders to General Narciso Campero. Colonel Eliodoro Camacho is made Chief of Staff.

May 26, 1880 Battle of Alto Alianza.

June 7, 1880 The Chilean Army seizes the city of Arica.



Ladislao Cabrera in charge of Calama's defense.

The Blue Book

October 20, 1883 Peru and Chile sign the Ancon Peace Treaty.

April 4, 1884 Bolivia and Chile sign the Pact of Tregua.

❧ VII ❧



C Chronology of the bolivian-chilean maritime issue ❧

A condor gobbling up the remains of a mule in the Atacama desert, Bolivia, André Bresson, 1871.

1837 Creation of the Department of the Coast, politically divided into the provinces of La Mar, whose capital was Cobija, and Atacama, whose capital was San Pedro de Atacama.

1866 The first Border Treaty between the Republics of Chile and Bolivia is signed.

1868 The Prefect of the Bolivian Coast Department founds Antofagasta.

1874 The second Border Treaty between Bolivia and Chile is signed.

1878 The Bolivian Congress imposes a tax of 10 cents of a boliviano for each “quintal” (measure of weight equivalent to 46 kg) of exported nitrate.

1879 Chile occupies the port of Antofagasta.

1879 Chile declares war to both Bolivia and Peru.

1883 Treaty of Ancon is signed, establishing peace between Peru and Chile.

1884 Bolivia signs the Pact of Tregua.

1887 The Chilean Senate debates and approves a motion to annex to Chile the Antofagasta Bolivian’s Antofagasta Province.

1895 Bolivia and Chile sign 5 inter-related agreements.

1900 Abraham König sends an ultimatum to the Government of Bolivia.

1903 Bolivia accepts the terms of a draft treaty imposed by Chile.

1904 The definitive text of the Peace Treaty and Friendship is agreed.

1910 The Bolivian Foreign Minister, Daniel Sanchez Bustamante, sends a Memorandum to the Peruvian and Chilean governments.

1919-1920 At the Paris Conference and at the League of Nations the Bolivian delegation proposes the revision of the 1904 Treaty.

1926 The Government of the United States, through the good offices of the Secretary of State Frank Kellogg, sends a proposal to the Governments of Chile and Peru.

1929 Treaty of Lima Chile and Peru sign a Peace Treaty partitioning Arica for Chile and Tacna for Peru. A complementary clause in the text of the Treaty binds either nation to come first to an agreement in the event of ceding territory to what the text calls ‘a third power’.

1950 The Bolivian and Chilean Governments exchange notes to resolve the maritime question.

1951 The United States Government presided by Harry Truman invites Chile and Bolivia to consider formally the question of Bolivia's access to the sea.

1962 The Government of Chile, without the consent of Bolivia, changes the course of the Lauca, an international river running along the border. Diplomatic relations are broken for the first time.

1974 The Declaration of Ayacucho recognizes the limitations for Bolivia of its confinement.

1975 The Organization of American States commemorates 150 years of Bolivian independence and vows to resolve the confinement issue.

1975 There begins a process of negotiation, known as the "Embrace of Charaña", between Chile and Bolivia. Bolivia requests a sovereign and constructive corridor. Chile accepts to negotiate and consults with Peru in accordance with the Treaty of 1929.

1976 Peru comes up with a counter proposal which Chile refuses to consider.

1978 The Charaña negotiations fail. Diplomatic relations are broken for the second time.

1979 The 10th General Assembly of the OAS is hosted in Bolivia. Bolivia gets approval of Resolution 426, which defines Bolivia's maritime confinement as a hemispheric problem.

1987 The Government of Uruguay offers its cooperation so that the maritime question can be negotiated in Montevideo. Bolivia returns to the idea of the corridor and proposes the transfer of three enclaves as well. Chile rejects the Bolivian proposal after considering it over a period of ninety days.

1989 Bolivia secures a resolution from the OAS in which it is agreed that both countries be encouraged to dialogue, and that the matter should be taken up in any future Ordinary Sessions of the General Assembly of the OAS.

2000 The Foreign Ministers of Bolivia and Chile meet in the Algarve (Portugal) and establish a new all-inclusive work agenda.

2000-2003 A number of bilateral meetings between the Presidents of Bolivia and Chile take place.

2004 In the Hemispheric Summit of Monterrey, Mexico, President Carlos Mesa raises in plenary before the Heads of State the need to resolve the Bolivian maritime claim. President Ricardo Lagos of Chile insists that nothing is pending between Chile and Bolivia.



Map of South America drawn in accordance with the records of the Congress of the United States – By S. Augustus Mitchell, 1852.

❧ VIII ❧



A Appendix ❧

Atacama Indians, André Bresson, 1871.

Appendix 1

THE TREATY OF 1866 BETWEEN BBOLIVIA AND CHILE

Article 1. The line of demarcation of the boundaries between Bolivia and Chile in the desert of Atacama, shall, hereafter, be parallel 24° south latitude from the littoral of the Pacific to the eastern limits of Chile, so that Chile on the south and Bolivia on the north will have possession and dominion of the territories extending from the mentioned parallel 24°, exercising in them all acts of jurisdiction and sovereignty corresponding to owners of the land.

The exact survey of the line of demarcation between the two countries shall be undertaken by a commission of properly qualified experts, half of whose members shall be appointed by each one of the high contracting parties.

Once the dividing line is determined it shall be marked by visible and permanent landmarks, the expense of which shall be borne equally by the governments of Bolivia and Chile.

Article 2. Notwithstanding the territorial division specified in the foregoing article, the republics of Bolivia and Chile shall share equally the proceeds of the exploitation of the guano deposits

discovered in Mejillones, and in all such further deposits of this same fertilizer which may be discovered in the territory comprised between 23° and 25° south latitude, as well as the export duties which shall be collected upon the minerals mined within the same territorial extension herein previously specified.

Article 3. The Republic of Bolivia undertakes to establish a customs house and open up the port at Mejillones, with the number of officers which the development and commerce may require. This customs house shall be the only revenue office which shall be empowered to receive the proceeds of the guano and the export duties on metals to which the preceding article refers.



Group of defenders of Calama armed with sabres, shotguns and revolvers.

The Government of Chile may appoint one or more revenue officers, duly authorized to exercise the right of supervision and inspection of the receipts of the referred-to customs of Mejillones, and to receive directly from the same office quarterly, on in such manner as may be mutually decided upon by both States, the portion of the profit due to Chile to which Article 2 refers.

Article 4. Exemption from all export duties is granted on the products of the territories comprised between 24 ° and 25 ° south latitude, which may be exported through the port of Mejillones. The natural products of Chile introduced through the port of Mejillones shall likewise be exempt from all import duties.

Article 5. The method of exportation or sale of guano, and the export duties assessed upon minerals, to which Article 2 of the treaty refers, shall be mutually agreed upon by the high contracting parties, either by means of special agreements or according as both may consider more convenient or appropriate.

Article 6. The contracting republics bind themselves not to transfer their rights to the possession or dominion of the territory which is divided between them by the present treaty, in favour of any other State, association or private individual. In case either of them may wish to effect such a transfer, the purchaser may only be the other contracting party.

Article 7. With respect to the losses which the question of limits between Bolivia and Chile has caused, as is well-known, to those individuals who together were the first to exploit effectually the guano deposits of Mejillones and whose work was suspended by order of the authorities of Chile the 17th of February, 1863, the high contracting parties agree to pay equally to said individuals an indemnity of eighty thousand pesos, paid from the per cent of the revenue of the customs house at Mejillones.

(Signed) Signed Juan R. Muñoz Cabrera (L.S.)

(Signed) Alvaro Covarrubias (L.S.)



Appendix 2

THE TREATY OF 1874 BETWEEN BOLIVIA AND CHILE

Article 1. The 24th parallel from the sea to the continental divide of the Andes is the boundary line between the republics of Bolivia and Chile.

Article 2. For the purpose of this treaty, the lines of parallels 23 and 24 as established by the commissioners Pissis and Mujia are considered valid, as per the act of February 10, 1870.

If questions should arise concerning the exact situation of the mineral deposits of Caracoles or any other deposits that might be considered outside the zone between the two said parallels, the exact situation will be determined by a commission of experts, one named by each of the contracting parties, the two to name a third in case of disagreement, and if they do not agree, the nomination shall be made by the Emperor of Brazil. Until there is proof to the contrary regarding this situation, these mineral deposits will continue to be considered within the parallels indicated.

Article 3. The existing deposits of guano, or that shall be discovered in the future, within the perimeter described in the preceding article, will

be divided equally between Bolivia and Chile, the system of exploitation, administration and sale shall be continued by the two governments by common accord in the form and manner heretofore employed.

Article 4. The duties of exportation that may be levied on minerals exploited in the zone referred to in the preceding articles shall not exceed those now in force, and Chilean citizens, industry, and capital shall not be subjected to any other contributions what ever except those now existing.

The stipulations in this article shall last for twenty-five years.

Article 5. The natural products of Chile that may be imported into the Bolivian littoral between parallels 23 and 24 shall be free and exempt from all duties, and reciprocally, natural products of Bolivia that may be imported into the Chilean littoral between parallels 24 and 25 shall be exempt and free from all duties.

Article 6. The Republic of Bolivia shall make of Mejillones and Antofagasta major ports of its littoral.

Article 7. From this date forward, the Treaty of 1866 in all its parts is annulled.

Article 8. The present treaty shall be ratified by each of the Contracting Republics, and ratifications exchanged in the city of Sucre within three months.

In faith of which, etc. the undersigned plenipotentiaries of the Republics of Bolivia and Chile have signed the present protocol and put their respective seals, in Sucre on the 6th day of August 1874.

(Signed) Mariano Baptista

(Signed) Carlos Walker Martínez

Appendix 3

PROCLAMATION OF THE BOLIVIAN PRESIDENT

Hilarión Daza

The President of the Republic has considered it desirable to make known to the army the occurrences of the frontier, and has issued the following proclamation:

Soldiers: Under the shadows of peace which should be unalterable and cordially sustained by the Republics of Bolivia and Chile, because the interests of both countries so require it, and because my government has taken care to cultivate with diligence its fraternal relations, that of that nation has just perpetrated an outrage on civilization for which there is no name. On the 14th of this month two Chilean steamers of war, with eight hundred men for disembarkation, and supported by a considerable number of persons depraved by misery and vice, assassins of the curved blade, have taken possession of our defenseless ports of Antofagasta and Mejillones by surprise without previous declaration of war, without taking into consideration that civilization condemns vandalic acts more than it does those of hordes of savages, if they are committed by nations and governments which pretend to have culture. The result of an international iniquity, it is

natural that the perpetration of crime was as a praiseworthy action. A Bolivian policeman, his wife and child, in Antofagasta, and four laborers in Carmen Alto, have been assassinated, with the special weapon of the Chilean bandit, the curved dagger.

Companions: So cynical a calculation of the rights of humanity imposes on all the States of the American continent a sacred duty of eminent justification and of foresight which sooner or later they will have to fulfill.

In the meantime the Bolivian army, will let the world know that the honor of Bolivia and the integrity of its territory are under the safeguard of its bayonets, and that on this occasion, as on others, it will know how to chastise its cowardly aggressors.

COMRADES: I expect everything from your patriotism, your serenity, and discipline. If the government which has believed it would humiliate us by the occupation of our desert shores does not honorably retract its vandalic acts, there will remain inaugurated for us a glorious epoch, because we will all fulfill with emulation the holy duty of fighting without truce or hesitation the enemies of the national autonomy, the usurpers of

our territory, the conquerors of civilized towns.
Let our motto be to “live or die for Bolivia.”

Be ready for the precious moment in which the
campaign opens, and we will march to recover the
beautiful soil of Atacama, which was left us by the
founders of the republic.

Headquarters, La Paz, February 27, 1879.

(Signed) Hilarión Daza

Appendix 4

TRUCE PACT BETWEEN CHILE AND BOLIVIA

I. The Republics of Bolivia and Chile celebrate an indefinite truce, and, in consequence, they declare the state of war terminated, and that the same cannot be again carried on unless one of the contracting parties notifies the other, with at least one year of anticipation, of its determination to resume hostilities. In this case, the notification shall be made directly, or through the diplomatic representative of a friendly nation.

II. The Republic of Chile, during the period that this treaty is in force, shall continue to govern according to Chilean law, the territories situated between the parallel 23° S. and the mouth of the River Loa...

In case difficulties may arise, both parties shall appoint a commission of engineers, that shall fix the limits as indicated, subject to the landmarks here determined.

III. The property and goods confiscated from Chilean citizens, by Government edict, or by order of civil and military authorities, shall be immediately returned to their owners or to their representatives.

There shall also be returned the products that the Government of Bolivia may have received from these properties and that appear to be proved by the documents in the case.

The damages that in these cases have been suffered by Chilean citizens shall be indemnified by reason of the actions that the interested parties may bring before the Government of Bolivia.

IV. If no agreement can be arrived at between the Government of Bolivia and the parties interested, with respect to the amount of indemnity for the loss and damage suffered, the points in dispute shall be submitted to a commission of arbitration composed of three members, one named by Chile, one by Bolivia and the third to be named in Chile, by mutual accord, from among the representatives of neutral nations, resident in Chile. This commission shall be appointed as soon as possible.

V. Commercial relations are reestablished between Bolivia and Chile

Until an agreement to the contrary is made, Bolivia and Chile shall enjoy the commercial advantages and freedom that either nation accords to the most favored nation.

VI. At the port of Arica foreign merchandise shall pay, that entering for consumption in Bolivia, the customs dues in force by the Chilean tariff, this merchandise shall not pay, in the interior, any further duty. The sums received in payment of duty shall be divided in this way: 25 per cent shall be applied as dues received for merchandise to be consumed in the territories of Tacna and Arica, and as working expenses, and 75 per cent shall be for Bolivia. . . .

VII. Any acts of the subaltern authorities of either nation that tend to alter the situation formed by the present treaty of truce, especially in what may refer to the limits that Chile continues to occupy, shall be repressed and punished by the respective governments, upon official notice or request.

VIII. As the object of the contracting parties, in celebrating this pact of truce, is to prepare and

facilitate a solid and stable treaty of peace between the two republics, they reciprocally promise to carry on negotiations conducive to this object.

This pact shall be ratified by the Government of Bolivia in the term of forty days, and the ratifications exchanged at Santiago during the next month of June.

In proof of which, the Minister for Foreign Affairs of Chile and the Plenipotentiaries of Bolivia who showed their respective authorization and powers signed, in duplicate, the present treaty of truce, at Valparaiso, on the fourth of April of the year one thousand eight hundred and eighty-four.

(Signed) A. Vergara Albano,

(Signed) Belisario Salinas,

(Signed) Belisario Boeto.

Appendix 5

SPECIAL TREATY OF 18 MAY 1895 ON THE TRANSFER OF TERRITORY

With the purpose of establishing increasingly closer ties of friendship to unite our two countries, and agreeing that a higher need, the future development and commercial prosperity of Bolivia, requires that it has free and natural access to the sea, the Republic of Chile and the Republic of Bolivia have decided to establish a special Treaty on the transfer of territory. They have named and appointed their plenipotentiaries for this purpose, as follows:

His Excellency the President of the Republic of Chile has appointed don Luis Barros Borgoño, Chilean Minister of Foreign Relations, and his Excellency the President of Bolivia has appointed don Heriberto Gutiérrez, Bolivia's Special Envoy and Plenipotentiary Minister in Chile. Having exchanged their full powers and found them to be well and properly formulated, they have agreed the following basic points.

Article One. If, as a consequence of the plebiscite that must be held in keeping with the Treaty of Ancón, or as a result of direct arrangements, the Republic of Chile should acquire permanent dominion and sovereignty over the territories of

Tacna and Arica, it undertakes to transfer them to the Republic of Bolivia, in the same form and size in which it has acquired them, without detriment to what is established in Article Two.

As compensation for this transfer of territory, the Republic of Bolivia shall pay the sum of five million silver pesos, 25 grams in weight and nine-tenths pure. 40% of the net income of the customs office in Arica is considered particularly suitable for making this payment.

Article Two. If the cession contemplated in the previous article takes effect, it is understood that the Republic of Chile will move its northern border from Camarones to the Vitor cove, from the sea up to the boundary that currently separates that region from the Republic of Bolivia.

Article Three. In order to fulfill the purpose set out in the preceding articles, the Government of Chile undertakes to devote its efforts, either separately or together with Bolivia, to obtain definitive ownership of the territories of Tacna and Arica.

Article Four. If the Republic of Chile is unable to obtain definitive sovereignty over the area in which the cities of Tacna and Arica are located, either in the plebiscite or through direct arrangements, it undertakes to cede to Bolivia the

area from the Vítor cove to the Camarones valley or another analogous area, as well as the sum of five million silver pesos, 25 grams in weight and nine-tenths pure.

Article Five. A special arrangement shall determine the precise boundaries of the territory to be ceded under the present Treaty.

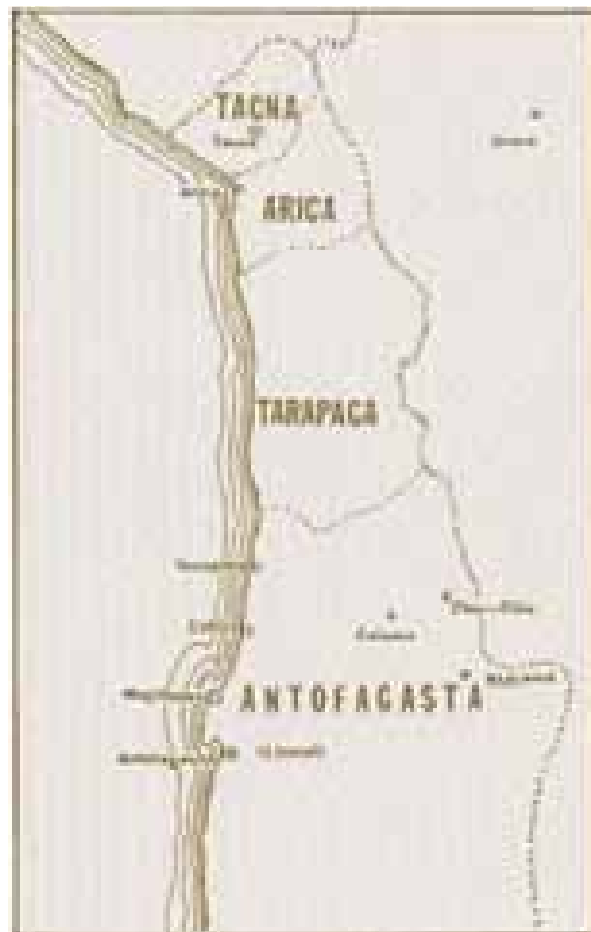
Article Six. If the cession is made in keeping with Article Four, and should deposits of saltpeter be found or discovered in the ceded area in the future, they may absolutely not be exploited or transferred until after such time as all the existing deposits of saltpeter in the territory of the Republic of Chile have been exhausted, unless a special agreement between both governments stipulates otherwise.

Article Seven. This Treaty, which shall be signed at the same time as the Peace and Trade treaties agreed between the same Republics, shall be kept secret and may not be published except under an agreement between the signatory parties.

Article Eight. Ratifications of this Treaty shall be exchanged within six months and the exchange shall take place in the city of Santiago.

In witness whereof, the Chilean Minister of Foreign Relations and Bolivia's Special Envoy

hereby sign and seal, with their respective seals, duplicate copies of this special Treaty in the city of Santiago, on the eighteenth day of the month of May, eighteen hundred and ninety five.



Area affected by the Pacific War.

Appendix 6

CHILEAN PLENIPOTENTIARY ABRAHAM KÖNING'S NOTE

Legation of Chile

La Paz, August 13, 1900

To His Excellency,

The Minister of Foreign Relations of Bolivia,
Mr. Eliodoro Villazón

Mr. Minister: From Your Excellency I have learned the determination of the Government of Bolivia to leave to the National Congress the consideration and resolution of our proposals for a settlement, and in order to facilitate both. I have the honor to place in your Excellency's hands the present communication, which contains a minute explanation of the final bases for peace accepted by my Government.

Since these bases are to be submitted to the judgment of the Bolivian Congress, I have deemed it expedient that the representatives of the people should have a full knowledge of its text and the reasons which justify it.

In compliance with the instructions from my Government, and starting from the antecedent accepted by both countries, that the old Bolivian

littoral is and shall always remain Chilean, I had the honor to submit to your Excellency the following bases for a Treaty of Peace and Amity:

The Government of Chile will be disposed, in order to conclude the Treaty of Peace with Bolivia, to grant, in exchange for the definite cession of the Bolivian littoral we now occupy by virtue of the Pact of Truce, the following compensations.

a) To take upon themselves and to bind themselves to the payment of the obligations contracted by the Bolivian Government with the mining enterprises of Huanchaca, Corocoro, and Oruro, and the balance of the Bolivian loan contracted in Chile in 1867, after deducting such amounts which have been credited said account, according to Art. 6 of the Treaty of Truce.

Chile could also, in the same manner, pay the following liabilities affecting the Bolivian littoral: The one corresponding to the bonds issued for the construction of the railway from Mejillones to Caracoles; the liability in favor of Mr. Pedro Lopez Gama, at the present time represented by the house of Alsop & Co., of Valparaiso; that of Mr. Enrique Meiggs, represented by Eduardo Squire, resulting from the contract the former made with the Government of Bolivia on May 20, 1876, for the lease of the fiscal nitrate beds of

Toco, and the one recognized in favor of the family of Mr. Juan Garday. These habilities will be the object of a particular liquidation and of a detailed specification in a supplementary protocol.

b) An amount of money to be fixed by mutual agreement between both governments, to be invested in the construction of a railway which shall either connect any port in our coast with the interior of Bolivia, or be the prolongation of the present Oruro Railway. In the judgment of the undersigned, this amount must not exceed six million pesos, and the determination of the starting and terminal points as well as the plans and other conditions of the railway to be resolved by mutual agreement between both governments.

c) The port selected as starting point of this railway shall be declared free for the products and merchandise shipped through it in transit to Bolivia, and for the Bolivian products and merchandise exported through the same.

In the several conferences I had with Your Excellency, while analyzing the foregoing bases, Your Excellency informed me that in his judgment the concessions offered were not compensation enough for the Bolivian littoral, and that Bolivia needed a port and absolute commercial freedom. The Bolivian Government regards the Pact of

Truce, which exceptionally favors Chilean commerce, as burdensome to Bolivia, and that it has given rise to claims on the part of European powers. Bolivia aspires to her commercial independence as a consequence of her political independence, and wishes to remain at liberty to reject the treaties which are detrimental and to make those which are convenient to her, this not being meant as a hostile feeling against Chile, as it is understood that thereafter Bolivia shall grant Chile the commercial franchises granted to other nations.

Several days after this, and as the natural result of the conferences, Your Excellency communicated to me the propositions agreed to by the Government, which are the following:

“The Government of Chile takes upon themselves the obligations contracted by Bolivia with the mining enterprises of Huanchaca, Corocoro and Oruro, and the balance of the Bolivian loan contracted in Chile in 1867. They will also take upon themselves the following liabilities which burden the Bolivian littoral: The one corresponding to the bonds issued for the construction of the railway from Mejillones to Caracoles; the liability in favor of Mr. Pedro López Gama; that of Mr. Enrique Meiggs, resulting from the contract made with Bolivia in

1876 for the lease of the fiscal nitrate beds of Toco, and the one recognized in favor of the family of Mr. Juan Garday.

“The Government of Chile bind themselves to grant to Bolivia, from their (Chile’s) possessions on the Pacific Coast, perpetual control over a belt of territory embracing one of the ports at present known, said belt to be situated at the northern extremity of said possessions, and to extend to the Bolivian frontier.

“Commercial relations shall continue between both states. Hereafter each nation, consulting its own convenience, may either levy upon or declare free of fiscal and municipal duties the natural and manufactured products the other may import.

“Foreign merchandise imported into Bolivia through any of the Chilean ports, and the natural and manufactured products exported abroad through the same ports, shall enjoy freedom of transit.

“In exchange for these terms, the Government of Bolivia is ready to conclude the Treaty of Peace which shall insure the definite cession of the Bolivia littoral occupied by Chile.”

In the foregoing bases the offer of six million pesos devoted to the construction of a railway is

not taken into consideration. This sum is not to be despised, and I may repeat here to Your Excellency what I have already had occasion to insinuate several times, that my Government would be willing to increase it if their propositions for a settlement were accepted. Neither mention is made of the concession of a free port, which is entirely favorable to the commerce of Bolivia.

The bases of the Bolivian Department (Cancillería) having been submitted to the consideration of my Government, there was no obstacle to accept the two clauses in reference to the commercial freedom.

It is understood that Chile shall remain in the same conditions of the powers that may hereafter conclude commercial treaties with Bolivia.

Your Excellency will admit that this explanation does not signify any concession granted to my country. The commercial freedom of Bolivia, in a treaty concluded with Chile, does not involve the idea of hostility. It would be inconsistent that my country should negotiate a convention damaging to its commerce.

Your Excellency also repeated to me that if Bolivia labors to obtain absolute commercial freedom, it is by reason of her independence as a nation, and

also with the object to reject treaties that have in the course of time become burdensome.

As my Government are animated by the best intentions, there has been no difficulty in accepting these clauses of commercial freedom, thus giving a plain proof of their desire to end some time our differences and to endeavor to develop the Bolivian commerce.

Chile renounces to the positive advantages set down in the Pact of Truce and in the Protocol supplementary to said Pact which favor their trade, in order to obtain a peace stable and beneficent for both countries. Hereafter it (Chile) shall not enjoy any other commercial franchises than those Bolivia may be pleased to grant other powers. In other words, Chile makes a great concession to Bolivia.

From this comparative study it appears that the only existing difficulty which prevents a settlement demanded aloud by both Bolivians and Chileans is the second of the bases proposed by the Government of Bolivia.

In deference, perhaps, to opinions of other times, Your Excellency states as an aspiration of the Bolivian people, that of possessing in perpetuity “a belt of territory embracing one of the ports

known at present.” This belt must be situated at the northern extremity of the Chilean possessions, and shall extend to the Bolivian frontier.

This is a demand doubly difficult and almost impossible to grant.

Where could we find, Mr. Minister, a belt and a point to correspond exactly with the conditions so precisely stated in the quoted clause?

Our coast reaches on the north to the Camarones Creek, in conformity with the Treaty of Peace concluded with Perú. It has been known and understood that Bolivian does not pretend to have a belt nor a port in the territory of her old littoral, I can not see, in truth, where could we give Bolivia what is asked for.

There could not be a Chilean capable of signing a Treaty of Peace embodying such a clause. From the Camarones Creek south to the Straits of Magellan all the towns are Chilean, genuinely Chilean, formed, developed, and maintained by our native citizens, with the capital, the sweat, and the labors of the Chilean people. In those towns, even including the old littoral of Bolivia, there are almost no Bolivians. To grant, then, a belt and a port in those places would be to deliver to a foreign nation thousands of Chilean families, and

this in the full enjoyment of peace, simply as a gracious condescension.

Bolivia would assume a hostile and not a peaceful and tranquil attitude by the mere fact of maintaining such inconsiderate pretensions.

Even in 1884, during the conferences held in Santiago between the Ministers Plenipotentiary of Bolivia and the Minister of Foreign Relations of Chile, resulting in the Pact of Truce, this point was considered and withdrawn by consent of the Bolivian representatives themselves.

It was then agreed that an outlet to the Pacific that would amount to a solution of continuity of Chilean territory is inadmissible by reason of its nature itself.

Not very long ago, in 1896, the Envoy Extraordinary and Minister Plenipotentiary of Bolivia in Chile in a communication dated April 29 of the same year, addressed to our Minister of Foreign Relations, does recognize that which the Bolivian Plenipotentiaries had acknowledged in 1884, viz: that by reason of its nature itself it is inadmissible to claim a belt of territory that would amount to a solution of continuity of the territory of the Republic.

I believe, therefore, that Your Excellency did not have in mind the territory extending south of the Camarones Creek, but on the contrary, at the time of writing the provision to which I refer, his attention was fixed in the provinces extending north of the aforesaid boundary.

It is true that by the Treaty of Territorial Transfer, signed May 18, 1895, it was conditionally established that “if in consequence of the plebiscite which is to be held in conformity with the Treaty of Ancon, or by virtue of direct negotiations, the Republic of Chile should acquire permanent dominion and sovereignty over the territories of Tacna and Arica, it (the Republic of Chile) binds itself to transfer the same to the Republic of Bolivia, in the same form and with the same extension as acquired, without detriment to the provision of Art. II.” But Your Excellency knows that this condition has not been fulfilled, and that this lack of compliance can not be attributed to the Government of Chile.

At the present moment -and this is the most important fact- the Republic of Chile has not yet acquired permanent dominion and sovereignty over the territory of Tacna and Arica. To lay the foundations of a Treaty of Peace upon an event that has not taken place partly dependent from another's will, would be to make a flimsy and

perishable work, to create difficulties instead of ending them, to fall again in the same error committed in 1895.

It would be a laborious task to investigate minutely the causes that have held back Constitutional approval of the treaties of 1895. But Your Excellency must not forget that the Additional Protocol of December 9, 1895, and that Explanatory to this one, dated April 30, 1896, have not been strange to this. Said protocols, especially the former, embodying Bolivian claims made at the last moment, form with the Treaties a single body in such manner that the failure of its approval is equivalent to a disagreement over a fundamental basis, making void all the treaties of 1895.

The wording of the treaties and protocols; the simple perusal of said documents, will clearly demonstrate the good will of the Chilean Government. It was then plainly shown the keen desire Chile had to gain and maintain the good friendship of Bolivia, as by granting her the richest portions of the provinces of Tacna and Arica, any impartial mind must acknowledge that it (Chile) acted with extreme generosity.

Unfortunately, said pacts have not been concluded; the stipulated conditions have not been fulfilled. These were premature, still-born acts.

The plebiscite mentioned in the Treaty of Ancon not having taken place, we find ourselves today in the same juridical situation which both countries occupied in 1884.¹

The Bolivian Plenipotentiaries who negotiated the Pact of Truce earnestly demanded for Bolivia an outlet to the Pacific, and participated in the belief that they could obtain it at the northern extremity of the territory temporarily ceded by Peru. The Minister of Foreign Relations of Chile gave a formal refusal to this demand. In his judgment this demand was not even within the sphere of action and authority of the Government. Chile has not acquired the control of those territories, but merely an expectancy subject to the terms and conditions stipulated by the Treaty of Ancon. It is not the owner as yet, and must not act as if it was.

We may repeat to-day the same words. The plebiscite has not taken place as yet; it is not possible to conclude treaties taking as a basis events that have not taken place and are dependents from another's will.

¹ Chile amenaza volver al estado de guerra que fue suspendido por el Pacto de Tregua de 1884. Nota boliviana).

The Government and people of Chile are earnestly interested that the plebiscite should take place as soon as possible; and the Government and the people desire that this act should take place under such conditions as would satisfy the legitimate aspirations of the Nation. When the time comes when it will take place, we confidently expect that the plebiscite will be favorable to Chile.

Your Excellency knows that public opinion in my country has been notably modified since the last days of 1895. We do not think to-day as we did in years past.

A matter worthy of meditation on the part of the statesmen of Bolivia is why a judicious and justice loving people such as Chile has in regard to Tacna and Arica uniform ideas very different from those publicly expressed in May, 1895.

To be as plain as international affairs demand it at times, it must be stated that Bolivia can not count upon the transfer of Tacna and Arica, even if the plebiscite be favorable to Chile. The Chilean people, with a uniformity which is seldom seen in other nations, has made manifest their will to preserve those territories as a just compensation for the sacrifices of all kinds imposed to the country.

There has been no obstacle to grant a belt north of Arica, that is to say, at the northern extremity of the Chilean possessions on the Pacific, thus conforming with the letter of the second clause of the proposals of the Bolivian Government. Nature, however, opposes this good will on our side. North of Arica there is no port, not even a fair cove; from Arica to Sama the coast is rough and almost unapproachable.

After what has been said the conclusion imposes itself forcibly. Chile does not accept the cession of the belt and port demanded by Bolivia, because, notwithstanding its (Chile's) good intentions it finds itself in the impossibility to satisfy such demand. There is no port to grant. South of Camarones all the ports are Chilean, inhabited almost solely by Chilean citizens. Moreover, the cession of a belt in any latitude will result in the division of our country in two portions, thus producing a solution of continuity which is inadmissible. Between Camarones Creek and Arica, the only port deserving of that name is Arica and it is needed by our country; the control of the territories of Tacna and Arica could not be maintained without the possession and control of said port. North of Arica vision is exhausted following the sinuosity of an unhospitable coast.

Even in the case that my country were eagerly desirous to satisfy the aspirations of Bolivia, she would not know what to do. We are forced, therefore, to lay aside this demand which comes to prevent an amicable understanding between the two countries.

It would not be amiss to question here, Mr. Minister, whether Bolivia has an imperative need of a port on the Pacific.

I would make bold to answer in the negative.

There are several considerations adduced in support of the cession of a port, but all may be condensed in the following language employed in a most important governmental document: "No agreement has been reached (with Chile) because of the refusal to the very legitimate demand of Bolivia, that in compensation for its valuable littoral the control of the port be granted, at least for its free and independent communication with the other States of the civilized world."

The legitimate demand for a port is based in that Bolivia wishes to insure its free and independent communication, or that at least the Government of Chile in some manner hinders the freedom of its (Bolivia's) communications. Your Excellency

knows, however, that neither one nor the other case is true.

The public, positive, and incontestable fact is that the Government and people of Bolivia are in possession of the most absolute freedom and independence for their communications of all kinds. The Government and people of Chile are similarly situated, enjoying exactly the same favourable conditions that the Government and people of Bolivia.

I am convinced that a port of her own shall add nothing to the commerce or power of Bolivia.

During peace, Bolivia will export her products through Chilean ports, especially through Antofagasta and Arica, which shall be terminals of railway lines, and consequently free ports. Bolivia will have at both ports her customs officers, exclusively dependent from the authorities of their own country. There are at present at Antofagasta Bolivian and Chilean officials discharging their duties at the custom house of said port, with positive advantages for Bolivia and without any difficulty whatever.

Should Bolivia later on intend to contract a loan in Europe, giving as a guarantee her custom revenues, it would not certainly be an obstacle to

this operation the fact the custom receipts of Bolivia set aside for the payment of said loan are collected at a Chilean port, because, happily, the credit of my country enjoys generally in the world a solid and well-merited reputation.

What interests most this nation are roads; railroads above all, which place her in communication with Chilean ports. Cheap freight rates, transit facilities; this is important and vital to prosperity during peace.

In time of war the Chilean forces would take possession of the only Bolivian port as easily as they occupied all the ports on the littoral of Bolivia in 1879.

This is not a proud boast, because all those who are acquainted with the resources of my country know that her offensive power has increased a hundred fold in the last twenty years.

If all the aforesaid is true, it must be confessed, Mr. Minister, that a port of her own is not indispensable, and its acquisition will not increase Bolivia's power, neither in time of peace nor in time of war.

And if the control of a narrow strip of territory or of a port which in no wise would increase the

productive and war powers of the nation is the only obstacle we find to sign a treaty of peace, is it not natural that the patriotic and well-inspired minds should lay aside such pretensions and search for other means to arrive at a convenient solution?

To maintain the demand for a port only leads to the unknown. The present situation, precarious and full of danger as it is now, becomes aggravated. To abandon it facilities an agreement between the two countries, removes the only obstacle in the way to the conclusion of the Treaty of Peace.

In such delicate matters it is necessary to judge with a sober, not a passionate, mind; to forget the preconceived ideas and to see things as they are and not as they could have been.

A statesman must never look ahead beyond tomorrow.

It becomes ordinary politicians to cling to an idea in harmony with the prevailing public sentiment, because by doing thus there is no need of observing, studying, and much less combating; to let themselves be carried along is more than enough.

I would wish, Mr. Minister, that a person as learned, intelligent, and keen as Your Excellency

is should abandon the easy and beaten path and undertake to investigate whether to obtain the good and everlasting friendship of Chile is more important to Bolivia than a narrow strip of arid territory containing a port.

One moment's thought will lead to this conclusion: That the friendship of Chile may in a large measure be profitable to Bolivia, while the strained relations between the two countries will not give the same result to her. Any thinking mind would be inclined to think that the statesmen of this country would not hesitate in the choice.

For many years my country has wished to exchange the Pact of Truce for a Treaty of Peace and settle in a final manner all her differences with Bolivia. Chile wishes to devote herself to work quietly and without misgivings, and aspires, as it is natural, to an honourable and permanent peace advantageous to both countries. A series of events, some of them very disagreeable, have demonstrated it (Chile) besides, that there is an absolute necessity to end as soon as possible these difficulties between neighbors.

We can not wait any longer; the Government and people of Chile believe that they have patiently waited.

To our mind the bases proposed by Chile are equitable, the only compatible with the present situation. It would be a real misfortune that the Bolivian Congress should deem it otherwise.

It is a widespread error, daily reasserted both by the press and in the street, to affirm that Bolivia has the right to demand a port as compensation for her littoral.

It is not so. Chile has occupied the littoral and taken possession of it by the same right Germany annexed to the Empire Alsace and Lorraine, by the same right the United States of America have taken Porto Rico. Our rights are the outcome of victory, the supreme law of nations.

That the littoral is rich and worth many millions, that we already know. We keep it because it is valuable; should it not be valuable, then there would be no interest in keeping it.

At the termination of a war the victorious nation imposes her conditions and demands the payment of the expenses incurred. Bolivia was vanquished, had no means to pay, and surrendered her littoral.

The surrender is indefinite, for an indefinite period. It was thus set down in the Pact of

indefinite Truce. It was an absolute, unconditional surrender in perpetuity.

Chile, therefore, owes nothing, is bound to nothing, and much less to the cession of a belt of land and a port.

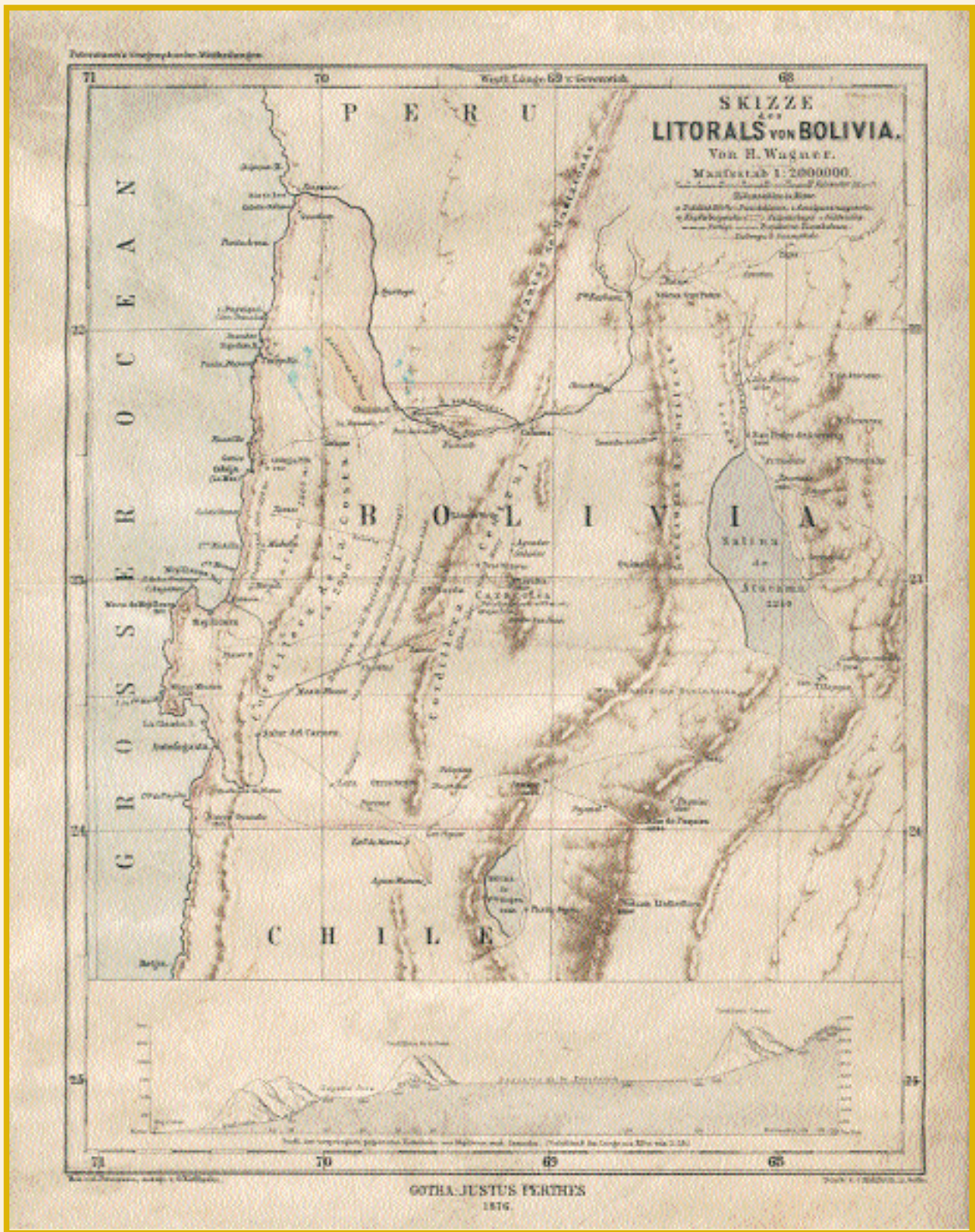
And, therefore, the bases for peace proposed and accepted by my Government, amounting to large concessions to Bolivia, must not only be considered as equitable but as generous as well.

It is to be hoped that the members of Congress, deputies and senators, knowing their country and wishing its welfare, should act in that elevated and justice-dealing spirit necessary to bring to a close all pending difficulties.

Being confident that upon taking a final resolution on this grave matters, such will be inspired both in the well-understood interests of Bolivia and the kind disposition of Chile, it is particularly gratifying to me, Mr. Minister, to state here the cordiality which has inspired the negotiations I have had the honor to conduct with Your Excellency, and the elevated spirit shown in the discussions to which they have given occasion.

I avail myself of this opportunity to renew to Your Excellency the sentiments of my highest consideration and particular esteem.

(Signed) Abraham Köning



Map of the Bolivian Littoral drawn in Germany by Von H. Wagner, 1876.

Appendix 7

TREATY OF PEACE AND FRIENDSHIP BETWEEN BOLIVIA AND CHILE

In implementation of the proposal contained in Article 8 of the Tregua Pact of the 4th of April, 1884, the Republic of Bolivia and the Republic of Chile have agreed to draw up a Treaty of Peace and Friendship, and to this effect have nominated their Plenipotentiaries as follows:

His Excellency the President of the Republic of Bolivia has nominated Don Alberto Gutiérrez, Envoy Extraordinary and Minister Plenipotentiary for Bolivia in Chile, and his Excellency the President of the Republic of Chile has nominated Don Emilio Bello Codesido, Foreign Minister;

Who, after having exchanged their Credentials and having found them to be in due and proper form, have agreed the following:

Article I. Relations of Peace and Friendship are to be re-established between the Republic of Bolivia and the Republic of Chile, thus ending the regime established by the Truce Treaty.

Article II.- Under the present Treaty recognition is given to the fee simple absolute and in perpetuity of Chile to the territories occupied by the latter by

virtue of Article 2 of the Truce Treaty of the 4th of April, 1884.

The border from South to North between Chile and Bolivia will be as stated below:

From the highest peak of the Zapaleri hill (1), in a straight line to the highest peak (2) of the range spread out towards the South by the Guayaques hill, in the approximate latitude of twenty-two degrees fifty-four minutes (22°54'); from here another straight line to the Cajón Pass (3), and then the watershed of the line which runs towards the North along the peaks of the Jeriques hill (4), the Licancábur volcano or Jorjéncal (8). From this point it will continue by one of its spurs towards the Pajonal hill (9), and in a straight line to the peak on the Tocarपुरi hills (10), from whence it will once again follow the watershed on the line of Panizo (11) and the Tatío range (12). It will keep going to the North along the watershed of the Linzor range (13), and from the hills of Silaguada (14); from whose northern peak (Extinct volcano) (15), it will go by a spur to the small hill of Silala (16), and then in a straight line to the Inacaliri or Cajón hill (17).

From this point it will go in a straight line to the peak which appears in the centre of a group of the inca or Barrancane hills (18), and taking once

again the watershed it will continue towards the North by the line of the Ascotán or Jardín hill (19). From the peak of this hill it will go in a straight line to the peak of the Araral hill (20), and in another straight line to the peak of the Ollagüe volcano (21).

From here in a straight line to the highest peak of the Chipapa hill (22), then coming down to the West by a band of small hills to reach the peak of the Cosca hill (23).

From this point it will follow the watershed of the range which joins it to the Alconcha hill (24), and from there it will go on to the Olca volcano (25) by the dividing ridge. From this volcano it will follow the range of the Milluni (26), Laguna (27) hills, the Irruputuncu volcano (28), the Bofedal (29) and Chela (30) hills and then after a high cluster of hills, it will reach the Milliri (31) and then the Hualcani (32).

From here it will go to the Caiti hill (33) and will follow the watershed to the Napa hill (34).

From the peak of this hill it will go in a straight line to a point (35) situated ten kilometres to the South of the Eastern peak of the Huaila hill (36), from whence it will go in a straight line to the peak mentioned, doubling back then to the East it will

follow along the line of the Laguna (37), Corregidor (38) and Huailaputuncu (39) hills, to the most Eastern Apacheta (devotional stone pile) of Sillillica (40), going then by the range which goes to the North West to the peak of the Piga hill (41).

From this hill it will go in a straight line to the highest peak of the Tres Cerritos (42) and then in a straight line to the Challacollo hill (43) and to the narrow pass of Vega de Sacaya (44), in front of Villacollo.

From Sacaya, the border will go in straight lines to the Apachetas of Cueva Colorada (45) and Santaile (46), from whence it will go on to the North West by the Irruputuncu (47) and Patalani hills (48).

From this peak the border will go in a straight line to the Cerrito Chiarcollo (49) crossing the river Cancosa (50) and from there in a straight line to the peak of the Pintapintani hill (51), and after this peak following along the range of the Zuiuri (52), Pomiri (53) and Panantalla (54) hills.

From the Panantalla peak it will go in a straight line to Tolapacheta (55), half way between Chapi and Rinconada, and from that point in a straight line to the Huaila Pass (56); then it will go by the peaks of the Lacataya (57) and Salitral hills (58).

It will return towards the North going in a straight line to the little hill of Tapacollo (59), on the Salar of Coipasa, and in another straight line to the landmark of Quellaga (60), from whence it will continue in straight lines to the little hill of Prieto (61) to the North of the Pisiga lowland, the little hill of Toldo (62), the landmarks of Sicaya (63), Chapillisca (64), Cabarray (65), Tres Cruces (66), Jamachuma (67), Quimasachata (68) and Chinchillani (69), and crossing the river Todos Santos (70), it will go to the landmarks of Payacollo (71) and Carahuano (72), to the Canasa (73) and Capitán hills (74).

It will then continue to the North by the watershed of the range of the Lliscaya and Quilburi hills (75) and (76) respectively, and from the peak of this point it will go in a straight line to the Puquintica hill (77).

To the North of this last point, Chile and Bolivia agreed to establish between them the following frontier:

From the Puquintica hill it will go to the North by the range going to Macaya, and at this point it will cut across the river Lauca (78), heading then in a straight line towards the Chiliri hill (79); it will continue North by the watershed of the Japu Pass (80) and the peaks of Quimsachata (81), the

Tambo Quemado Pass (82), the Quisiquisini hills (83), the Huacollo Pass (84), the peaks of the Payachata (85 and 86), the Larrancahua hill (87) to the Casiri Pass (88).

From this point it will go to the Condoriri hills (89), which divide the waters of the rivers Sajama and Achuta from those of the Caquena river, and will continue by the range which separating itself from these hills goes to the Carbiri hill (90), passing through the Achuta Pass (91); from the Carbiri hill it will go down its slope to the narrows of the river Caquena or Cosapilla (92), upstream of the inn of this name.

It will then follow the course of the river Caquena or Cosapilla, up to the tributary (93) of the apparent outflow from the swamps of the Cosapilla farm, and from the tributary it will go in a straight line to the Visviri landmark (94).

From this landmark it will go in a straight line to the Santiaruo (95), which is to the North of Maure, to the North West of the confluence of this river with another which comes in from the North, two kilometres to the North West of the Maure Inn; it will continue towards the North West by the range running to the Chihe Hill landmark, or Tolacolle (96), the final point on the frontier.

Within six months of the ratification of the Treaty, the Contracting Parties will appoint a Committee of engineers to carry out their demarcation in the field of the dividing line whose points, listed in this Article, are marked on the attached plan, which will form an integral part of this Treaty, and in accordance with procedure and at the time agreed upon by special agreement by both Chanceries.

If there should occur any disagreement between the engineers carrying out the demarcation, which can not be settled by direct action by both Governments, the matter will be put to the judgment of His Majesty the Emperor of Germany, in accordance with the provisions of Article XII of this Treaty.

The Contracting Parties will recognise the private rights of nationals or foreigners which have been legally acquired, to those territories which, by virtue of this Treaty, remain under the sovereignty of one or other country.

Article III.- In order to strengthen political and commercial relations between both Republics, the Contracting Parties agree to join the port of Arica with Alto de La Paz by a railway the construction of which will be contracted for at their expense by the Chilean Government, within one year starting from the ratification of this Treaty.

The ownership of the Bolivian section of this railway will be transferred to Bolivia when fifteen years have expired counting from the day on which the railway is completely finished.

For the same purpose, Chile is committed to paying the charges which Bolivia might incur, guaranteeing up to five per cent on the capital which is invested in the following railways, the construction of which will be able to be undertaken within thirty years: Uyuni to Potosí; Oruro to La Paz; Oruro via Cochabamba to Santa Cruz; from La Paz to the region of Beni; and from Potosí via Sucre and Lagunillas to Santa Cruz.

This commitment cannot involve Chile in an expenditure of more than one hundred thousand pounds sterling per year, nor exceed one million seven hundred thousand pounds sterling which is the amount established as the maximum which Chile will spend on the construction of the Bolivian section of the Arica-Alto de La Paz railway, and on the guarantees mentioned; and it will be null and void on the expiration of the thirty years referred to above.

The construction of the Bolivian section of the Arica-Alto de La Paz railway, as well as that of the other railways which are to be built with the Chilean Government's guarantee, will be the

subject of special agreements between both Governments during which consideration will be given to the facilities to be accorded to the commercial trade between the two countries.

The cost of the section under reference will be decided on the basis of the proposed amount to be accepted in the respective construction contract.

Article IV.- The Chilean Government promises to hand over to the Bolivian Government the sum of three hundred thousand pounds sterling in cash and in two lots of one hundred and fifty thousand pounds; the first lot will be handed over six months after the ratifications of this Treaty have been exchanged; and the second, one year after the first lot.

Article V.-The Republic of Chile conclusively cancels the amounts incurred by Bolivia, for the compensation to be paid to the Mining Companies of Huanchaca, Oruro and Corocoro, and for the balance of the loan raised in Chile in 1867, being the sum of four million five hundred thousand pesos, 18 penny gold payable on option by their Government, in cash or in external debt bonds estimated at the price they would fetch in London on the day on which payment is verified; and the amount of two million pesos, 18 penny gold, payable in the same way as the previous one, on the cancellation of the sums arising from the

following obligations incurred by Bolivia: the bonds issued or the loan raised for the construction of the railway between Mejillones and Caracoles, according to the contract of the 10th of July, 1872; the debt incurred on behalf of Mr. Pedro Lopez Gama, represented by Messrs. Alsop and Company, acting on his behalf; the sums incurred on behalf of Mr. Juan G. Meiggs, represented by Mr. Eduardo Squire, arising from the contract signed on the 20th of March, 1876, on the renting of saltpetre refineries in el Toco; and finally, the sum incurred on behalf of Mr. Juan Garday.

Article VI.- The Republic of Chile recognises on behalf of Bolivia, and in perpetuity, the most extensive and free right of commercial transit through its territory and Pacific ports.

Both Governments will agree, under special Acts, on the relevant regulations needed to ensure, without prejudice to their respective fiscal interests, the proposal mentioned above is implemented.

Article VII.- The Republic of Bolivia will have the right to establish customs agencies in the ports in which it intends to carry out its trade.

At the present time ports which are able to take its trade are those of Antofagasta and Arica.

The Agencies will see to it that the goods intended for transit are taken from the quay to the railway station and loaded and transported to the Bolivian customs in closed and sealed carriages with permits stating the number of packages, weight and make, number and content, which will be exchanged for landing certificates.

Article VIII.- Since the Contracting Parties agree to establish a special trade treaty, commercial trade between both Republics will be governed by rules of strict equality with those applied to other nations, and in no case will the products of either of the two Parties be placed in a condition which is inferior to that of a third country.

Therefore, the natural products and manufactured goods both from Bolivia and from Chile will be subject in their treatment and consumption, in one or other of the two countries, to the payment of the taxes due on the products and goods of other nations, and the favours, exemptions and privileges which either of the two Parties may grant to a third will be required under equal conditions by the other.

The Contracting Parties agree that on all the railways which cross their respective territories, they will give on a reciprocal basis to the national

products of one or other country, the tariff which they grant to the most favoured nation.

Article IX.- The natural products and manufactured goods from Chile and the nationalised goods, which are to go to Bolivia, will be dispatched with the respective consular invoice and permits referred to in Article Seven.

Livestock of any kind and natural products of little value, can be sent without any formalities and dispatched with a simple customs declaration.

Article X.- The natural products and manufactured goods from Bolivia, in transit abroad, will be exported with permits and cleared by Bolivian Customs or by the officials entrusted with this matter. The said permits will be handed over to the customs agents in the respective ports and without any other formality, these goods will be shipped to foreign markets.

In the port of Arica, import trade will be checked with the same formalities as in that of Antofagasta, the transit permits having to be cleared in this port under the same specifications as those indicated in previous Articles.

Article XI.- Since Bolivia is unable to put this system immediately into practice, it will continue to observe for a period of one year, that which

exists at the present time in Antofagasta, which will be extended to the port of Arica, establishing a reasonable time to put into effect the tariff of Bolivian appraisements, until it is possible to regularise transit trade in the way mentioned above.

ArticleXII.- All questions which may arise concerning the understanding or application of the present Treaty, will be submitted to the arbitration of His Majesty the Emperor of Germany.

Ratifications of this Treaty will be exchanged within six months and the exchange will take place in the city of La Paz.

In witness thereof the Bolivian Envoy Extraordinary and Minister Plenipotentiary and the Chilean Foreign Minister signed and sealed with their respective seals, and in duplicate, this Treaty of Peace and Friendship, in the city of Santiago, on the twentieth of October of the year one thousand nine hundred and four.

20 October 1904

(Signed) Emilio Bello Codesido

(Signed) Alberto Gutiérrez

Appendix 8

MEMORANDUM FROM THE MINISTER OF FOREIGN AFFAIRS DANIEL S ANCHEZ BUSTAMANTE

The government of Bolivia cannot ignore the present circumstances without knowing the spirit in which Peru and Chile would receive an effort towards the solution of the conflict related to Tacna and Arica.

Chile and Peru, following the opinion of many of their eminent public men, should cease being neighbors, establishing the territorial sovereignty of Bolivia in an intermediate zone of the Pacific coast. It is not necessary to demonstrate the importance of these transcendental facts to the politics and the balance of the Hispanic American nations.

Bolivia cannot survive isolated from the sea: now and ever, to the best of her ability, she will do everything in her power to obtain at least a convenient port on the Pacific; and will never resort to inertia whenever this matter of Tacna and Arica is stirred up, as it comprises the very basis of her existence. Bolivia in the last few years has abided faithfully by the pacts that deprived her of

her coast and has ended the questions of borders with Peru by sacrificing much of what was dutifully, rightfully and unavoidable hers, trusting that one day facts and high foresights would impose the only possible solution to this serious South American problem: the final incorporation of all or part of Tacna and Arica to Upper Peru.

These territories only have an importance – because of their geographical and commercial dependency – to Bolivia to the point that they continue, and will constitute with the new communication lines being worked on, an inseparable province of the destinies of this country. For the signing nations of the Ancon Pact these territories do not have any other interest but that inspired by the historic feeling and the national dignity.

Bolivia affirms, by taking this step, its inalienable right to life, within the American solidarity, and hopes that the Governments of Peru and Chile, as much as the powers capable of influencing the turn of the great destinies of the South American nationalities, will appreciate the magnitude, the sincerity and the honesty of our intentions.

La Paz, April 22, 1910

Appendix 9

SECRETARY OF STATE FRANK KELLOGG'S PROPOSAL

The Tacna-Arica controversy has engaged my closest attention ever since I assumed the duties of Secretary of State. All of my predecessors in this office during the past 40 years have followed with the deepest interest the varying phases of the problem, and several secretaries, particularly my immediate predecessor, Mr. Hughes, have been intimately concerned, as I have been, with the task of contributing, if possible, to its solution.

It would appear that from the nature of the case there are but three ways to deal with the disputed territory: you can assign it all to one of the contestants; you can divide it between them on some basis to be defined; or you can effect some arrangement whereby neither contestant shall get any of the territory. These three general types comprise an exclusive classification of the logically possible ways to dispose of the rest. I think it may fairly be said that the first of them, namely, delivery of the disputed territory in its entirety to one or the other of the parties; has virtually ceased to be regarded as a practical solution by anybody who really hopes for a permanent settlement.

The second method, that of division, has also seemed to me to recede further and further into the background. The parties have not been able to find any formula or basis, either of straight division, or of division coupled with a "corridor" feature or a "free city" device, which is acceptable to both of them.

I have decided to outline and place before the two governments a plan which, in my judgement, is worthy of their earnest attention. I venture to express the sincere hope that they will adopt it. This plan calls for the cooperation of a third power, Bolivia, which has not yet appeared in any of the negotiations, at least so far as my government is concerned. While the attitude of Bolivia has not been ascertained, save that her aspiration to secure access to the Pacific is common knowledge, it seems reasonable to assume that Bolivia, by virtue of her geographical situation, is the one outside power which would be primarily interested in acquiring, by purchase or otherwise, the subject matter of the pending controversy. With this preface let me now define the concrete suggestion which I have in mind:

a) The republics of Chile and Peru, either by joint or by several instruments freely and voluntarily executed, to cede to the Republic of Bolivia, in

perpetuity, all rights, title and interest which either may have in the provinces of Tacna and Arica;

b) As an integral part of the transaction, provision to be made for adequate compensation to be given by the Republic of Bolivia for said concession, including public works, railways and improvements in the territory transferred, and taking into account the present value of all such public works, railways and improvements made by both Chile and Peru during the periods when they have respectively been in control of the territory;

c) Chile and Peru to agree in direct negotiation upon the equitable apportionment between them of any cash compensation which may be provided for; it being here also understood that the Secretary of State will place at their disposal his good offices, if required to assist them in making the apportionment.

Washington D.C., November 30th, 1926

Appendix 10

COMPLEMENTARY PROTOCOL SIGNED IN LIMA ON THE 3RD OF JUNE, 1929

The Governments of Chile and Peru have agreed to sign a Complementary Protocol to the Treaty signed on this same date, and their respective Plenipotentiaries, duly authorised, have agreed the following to this effect:

Article 1. The Governments of Chile and Peru many not, unless they have previously agreed it between themselves, cede to a third Power all or part of the territories which, in accordance with the Treaty of the same date, remain under their respective sovereignty, nor are they able, without fulfilling this requirement, to build new international railway lines across them.

Article 2. The port facilities which the Treaty, in its fifth Article, grants to Peru, will consist in the absolutely free transit of personnel, goods and arms to Peruvian territories, and from here across Chilean territory. The operations of shipment and

unloading will be carried out from the precincts of the quay for the Arica to La Paz railway, reserved for serving the Arica to Tacna railway, until the works mentioned in Article Five of the Treaty, are built and completed.

Article 3. The Morro de Arica will be disarmed, and the Chilean Government will, at their own expense, build the monument agreed upon in the eleventh Article of the Treaty.

This Protocol forms an integral part of the Treaty of the same date, and therefore it will be ratified and its ratifications will be exchanged in Santiago, Chile, as soon as possible.

In witness thereof, the undersigned Plenipotentiaries sign and seal this Complementary Protocol in two copies in Lima, on the third day of June of one thousand nine hundred and twenty nine.

(Signed) Emilio Figueroa

(Signed) Pedro José Rada y Gamio



Map edited in London, including a large part of South America, 1866.

Appendix 11

BOLIVIAN DIPLOMATIC NOTE ADDRESS TO CHILE TO START NEGOTIATIONS ON AN OUTLET TO THE PACIFIC

*BOLIVIAN EMBASSY IN SANTIAGO, 1 JUNE
1950 N° 529/21*

Dear Minister

On different occasions, and specifically in the Treaty of 18 May 1895 and the Official Minute of 10 January 1920, which were signed with Bolivia though not ratified by our respective parliaments, the government of Chile has agreed to cede to my country its own outlet to the Pacific Ocean.

Subsequently, in response to the demand presented by Bolivia on 1 November 1920 at the First Assembly of the League of Nations, the Chilean delegate, his Excellency Mr. Agustín Edwards, made the following statement:

“Bolivia may seek satisfaction in direct negotiations freely agreed to. Chile has never closed that door to Bolivia, and I am in a position to state that nothing would please us more than to examine, directly with Bolivia, the best ways to assist her development. What Chile wants is Bolivia’s friendship. It is our fervent wish that she

be happy and prosperous. This is also in our interest, since she is our neighbor and her prosperity will reflect on our own.”

Later, his Excellency the President of Chile, Mr. Arturo Alessandri, likewise expressed the following in the message sent to the Chilean Congress in 1922:

“Bolivia may rest assured that, in an environment of fraternity and harmony, she will not find in our country anything other than a cordial desire to seek formulas which, while taking our interests into account, will satisfy her aspirations as far as possible.”

Likewise, on 6 February 1923, his Excellency the Chilean Minister of Foreign Relations, Mr. Luis Izquierdo, stated in a letter sent to the Bolivian Minister, Mr. Ricardo Jaimes Freire, that the government of Chile “still intends to listen, in the most exalted spirit of conciliation and fairness, to the proposals the Bolivian government may wish to present to it with the aim of signing a new Pact which takes Bolivia’s situation into account, without modifying the Peace Treaty and without breaking the continuity of Chilean territory.”

Furthermore, in response to the proposal made by the Secretary of State of the United States, his

Excellency Mr. Franck B. Kellogg, that Chile and Peru should cede to Bolivia “all rights, titles or interests they may have in the provinces of Tacna and Arica”, his Excellency Mr. Jorge Matte, Chilean Minister of Foreign Relations, stated that: “The government of Chile has not rejected the idea of conceding a strip of territory and a port to the Bolivian nation” and that it agrees “to consider the proposition in principle.”

At the start of his term in office, his Excellency the President of the Republic, Mr. Gabriel Gonzáles Videla, expressed a similar willingness in his conversations with the member of the Bolivian governing council and Minister of Foreign Relations, his Excellency Mr. Aniceto Solares, who attended his inauguration as president in November 1946; he did so subsequently in his meetings with the former president of Bolivia and current Ambassador to Spain, his Excellency Mr. Enrique Hertzog, during his visit to Santiago in December 1949; and finally in the numerous audiences he deigned to grant to me to address this issue.

In view of these important precedents, which indicate a clear orientation in the foreign policy followed by the Republic of Chile in this regard, I have the honor to propose to your Excellency that the governments of Bolivia and Chile should formally enter into direct negotiations to satisfy Bolivia’s elemental need to obtain its own sovereign outlet to the Pacific Ocean, and thus resolve the problem of Bolivia’s landlocked status on a basis that takes account of the mutual convenience and genuine interests of both our peoples.

In the certainty of receiving the agreement of your Excellency’s government, and thus initiating an undertaking with major prospects for the future, both for Bolivia and for Chile, I repeat to you the assurances of my highest consideration.

(Signed) Alberto Ostria Gutiérrez

To His Excellency
Mr. Horacio Walker Larraín
Minister of Foreign Relations
1 June 1950

Appendix 12

CHILE'S DIPLOMATIC REPLY, AGREEING TO NEGOTIATE

Dear Ambassador

I have had the honor of receiving your Excellency's letter dated 1 June.

In it your Excellency refers to the orientation of the foreign policy followed by Chile with regard to Bolivia's aspiration to obtain its own outlet to the Pacific Ocean, and recalls the terms of the Treaty and the Minute signed on 18 May 1895 and 10 January 1920 respectively, but not ratified by our parliaments. Your Excellency also recalls the statements made by the Chilean delegate to the League of Nations, Mr. Agustín Edwards, in 1920; by the President of the Republic, Mr. Arturo Alessandri, two years later; and by the Minister of Foreign Relations, Mr. Luis Izquierdo, in 1923.

Your Excellency then goes on to refer to the reply given by Mr. Jorge Matte to the proposal made by the Secretary of State of the United States of America, Mr. Kellogg, to the effect that Chile and Peru should cede to Bolivia their titles and rights to the provinces of Tacna and Arica; and, finally, to the willingness to consider Bolivia's aspirations that both, your Excellency and former Foreign Affairs Minister, Mr. Aniceto Solares, found in the

current President of the Republic, his Excellency Mr. Gabriel Gonzáles Videla.

In view of these precedents, your Excellency proposes to me that "the governments of Bolivia and Chile should formally enter into direct negotiations to satisfy Bolivia's elemental need to obtain its own sovereign outlet to the Pacific Ocean, and thus resolve the problem of Bolivia's landlocked status on a basis that takes account of the mutual convenience and genuine interests of both our peoples."

It follows from the references made in your letter that the government of Chile, as well as safeguarding the legal situation established in the Peace Treaty of 1904, has been willing to study, together with Bolivia in direct negotiations, the possibility of satisfying the aspirations of your Excellency's government and the interests of Chile.

I now have the honor of informing your Excellency that my government will be consistent with that position and that, motivated by a spirit of fraternal friendship with Bolivia, it is willing to formally enter into direct negotiations aimed at seeking the formula that will enable Bolivia to have its own sovereign outlet to the Pacific Ocean and Chile to obtain benefits that are not of a

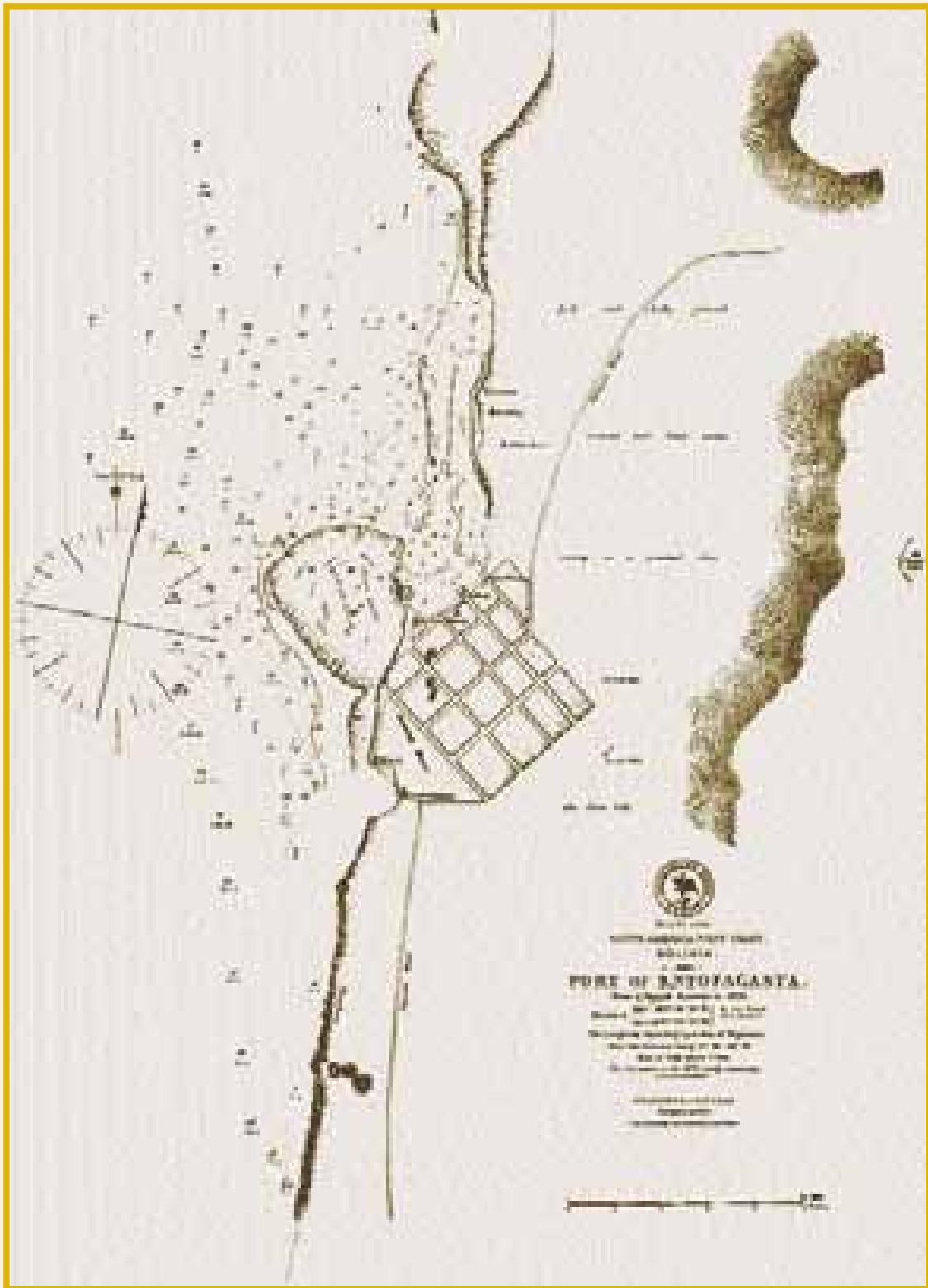
territorial nature and effectively consider its interests.

I trust that in this way our respective governments will be able to unite the destinies of our two republics more closely and give a shining example of the true American spirit to the rest of this continent.

It only remains for me to add that my government must consult the government of Peru at the proper time, abiding by the treaties it has signed with that country.

I reiterate to your Excellency the assurances of my highest consideration.

20 June 1950



Port of Antofagasta, drawn by the Hydrographic Office of the U.S. Navy, 1876.

Appendix 13

AYACUCHO DECLARATION

Meeting in the city of Lima at the invitation of the Peruvian head of state, Major-General Juan Velasco Alvarado, to commemorate the 150th anniversary of the Battle of Ayacucho, we, the heads of state and government of Bolivia, Panama, Peru and Venezuela and the representatives of the heads of state of Argentina, Colombia, Chile and Ecuador, recognize the major historical significance of that definitive feat of arms in America's heroic struggle for emancipation, as it concluded an essential stage in the process of bringing freedom to our peoples.

We pay homage to the memory of those illustrious forebears who gave us a fatherland and freedom and taught us an eloquent lesson about authentic creative solidarity, and we offer America the example of those heroes as an encouragement to fulfill the duties that the present and the future impose on us.

Ayacucho was the culmination of a vast historical process of gaining awareness of sovereignty, and represents the bravery of our peoples and their willingness to sacrifice themselves. Victory was possible thanks to the joint action of all those who, from different corners of America, conceived the

idea of emancipation and made it a reality after a lengthy and sustained effort.

We therefore proclaim that the Battle of Ayacucho symbolizes the unity of Latin America's peoples in their struggle for liberation, and that the celebration of its 150th anniversary is a propitious occasion for stressing that the union of Latin America demands constant and continuing efforts to fully realize the ideals of liberty, justice, sovereignty, equality and solidarity.

In keeping with the spirit that animated the uprising by that vast popular movement for unity and emancipation,

We Declare That:

Our countries achieved their political independence, but their inclusion in the world economy later gave rise to different forms of dependence, which explain the obstacles to our economic, social and cultural development.

It is urgent to complete the task of emancipation by promoting the building of our own social and economic future. This requires development models that will ensure our peoples of fair participation in economic and cultural life and facilitate full self-realization by the American man.

The Latin American continent's historic and essential commitment is to unite for economic and social liberation and scientific and technological progress in its member countries, and thus speed up their integration. This unity demands a common determination to achieve objectives of shared interest to their peoples, based on solidarity and the recognition of a pluralist reality.

Consistent with the purposes that inspired the convening of the Congress of Panama, we reiterate that only if they are united will the countries of Latin America be able to fully fulfill the mission that falls to them in the international community, and thus contribute to peace and security in the world.

Latin American nationalism means that our peoples gain awareness of their deepest reality and their true nature, which is the fruit of the mixing of blood, the fusion of cultures and shared historical, social and economic experiences.

In current international circumstances, strengthening this nationalism requires setting out the region's problems and their solutions without any outside interference, and agreeing new forms of joint action that promote the authentic values of our nations and prevent alien policies, actions or measures that seek to harm the character of our

peoples and the sovereignty of our states from prospering in Latin America.

We reiterate our adherence to the principles of the legal equality of states, their territorial integrity, their peoples' self-determination, ideological pluralism, respect for human rights, non-intervention and international cooperation, the fulfillment of accepted obligations in good faith, the peaceful solution of international disputes, and the prohibition on resorting to threats, the use of force or armed, economic or financial aggression in relations between states.

We condemn and repudiate the colonial situations that still persist in Latin America. These represent a potential threat to peace in the region and must be eradicated without delay. Our efforts are committed to achieve this objective.

We undertake to promote and support the establishment of a permanent state of peace and international cooperation and to create the conditions that will enable effective arms limitation and put an end to the procurement of arms for the purposes of offensive war, in order to devote all possible resources to the economic and social development of each of the countries of Latin America.

We condemn the use of nuclear energy for any purposes that are not peaceful and at the service of the progress and well-being of our peoples.

Creating a society with full national decision-making capabilities requires putting an end to economic dependence by determining and achieving development objectives suited to the real needs of each of our peoples.

Our countries have the inalienable right to fully exercise sovereignty over their own resources, defend the prices of raw materials, regulate foreign investment and control the activities of transnational companies.

A concerted effort by all our nations is essential to promote the formation and strengthening of associations of countries that produce and export raw materials, achieve the most favorable terms for access to international markets for our products, obtain better conditions in the transfer, creation and exchange of technologies suited to our particular realities, ensure a better supply of essential goods, particularly food, in the region, set up Latin American multinational companies, and cooperate on monetary affairs, transport, communications, external financing and Latin American financial institutions.

Integration is the most effective tool for development and a guarantee of economic independence, as it brings together national efforts for our economies to complement each other.

The profound world economic crisis makes evident the need to take forward structural changes decisively and establish a system of collective economic security. This will bring about comprehensive development for the well-being of our peoples in a climate of stability, free of the threats and acts of coercion that obstruct it. The aim is to achieve a new international economic order that must be founded on equity, equality, sovereignty, inter-dependence, shared interests and cooperation amongst all states.

In reaffirming our historic commitment to increasingly strengthen unity and solidarity between our peoples, we express our fullest sympathy with the landlocked status that affects Bolivia. This situation demands the most attentive consideration in order to reach constructive understandings.

We declare that the union of our peoples as sister nations maintains peace, justice, well-being and the state of law as the highest objectives of international relations. Consistent with these fundamental principles, we solemnly undertake to

act immediately and together, through our Ministers of Foreign Relations, in response to any situation that may affect peaceful coexistence between our countries.

We will cooperate fraternally and decisively to ensure that the peoples of Latin America, now a community of 300 million human beings, can unite their efforts in response to today's imperative of marking out their own free and autonomous path to achieving the objectives of economic development and social justice that will make possible the full self-realization and dignity of the Latin American man, the sole heir of the historic legacy of the heroic struggle for emancipation that culminated in Ayacucho.

Signed in Government House in Lima, on the ninth day of the month of December, nineteen hundred and seventy four.

Major-General **Juan Velasco Alvarado**, President of the Republic of Peru. **General Hugo Banzer Suarez**, President of the Republic of Bolivia. General **Omar Torrijos Herrera**, Head of the Government of Panama. **Dr. Carlos Andres Perez**, President of the Republic of Venezuela. **Dr. Julio Turbay Ayal**, Representative of the President of the Republic of Colombia. Ambassador **Alberto J. Vignes**, Representative of the President of Argentina. **Dr. Carlos Anibal Jaramillo**, Representative of the President of the Republic of Ecuador. Vice-Admiral **Patricio Carvajal Prado**, Representative of the Head of State of Chile.

(Lima, 9 December 1974)

Appendix 14

OAS DECLARATION ON THE THE BOLIVIA'S 150 ANNIVERSARY OF INDEPENDENCE DAY

The Permanent Council of the Organization of American States,

Reading in mind:

That the Republic of Bolivia is celebrating the one hundred fiftieth anniversary of its independence;

That the General Assembly, at its fifth regular session, resolved, through resolution AG/RES. 176 (V-0/75), that “the Organization join in the celebration of the one hundred fiftieth anniversary of the independence of Bolivia”,

That in the “Declaration of Ayacucho”, signed in Lima on December 9, 1974, the Presidents of Bolivia, Perú and Venezuela, the Chief of Government of Panama, and the representatives of the Presidents of Argentina, Chile, Colombia, and Ecuador stated that, “in reaffirming the historic commitment to increasingly strengthen unity and solidarity among our peoples, we view with the fullest understanding the landlocked situation that affects Bolivia, a situation that calls for the most careful consideration looking toward constructive understandings”,

That in the “Joint Declaration” made in February 8, 1975 at the border point of Charaña, signed by the President of Bolivia, General Hugo Banzer Suarez, and the President of Chile, General Augusto Pinochet Ugarte, “the Presidents reaffirmed their full adherence to the Declaration of Ayacucho, in which a spirit of solidarity open to understanding in that part of America is faithfully reflected, ”and” the two chief executives, with that constructive spirit of mutual comprehension, have decided to continue the dialogue at various levels, in order to find formulas for solution of the vital matters that confront both countries, such as the one concerning the landlocked situation that affects “Bolivia” ; and

That in the “Joint Declaration” of Panama City, signed in that capital city on March 24, 1975, the Presidents of Colombia, Costa Rica, and Venezuela, and the Chief of Government of Panama agreed to express their “solidarity with the just aspiration of Bolivia to have access to the sea”; and considering:

That all the documents cited, issued at the highest national and international levels of the hemisphere, as well as several others, show a firm and increasing willingness in the hemisphere to

resolve, with peace and justice, the landlocked situation that affects Bolivia;

That in the preamble to the Charter of the Organization, our nations state that they are “persuaded that their welfare and their contribution to the progress and the civilization of the world will increasingly require intensive continental cooperation”; and

That the tribute to the people of Bolivia upon the one hundred fiftieth anniversary of its independence calls for a message that will help it forge ahead in the direction of peace and development, in addition to the congratulations and good wishes for its progress, which are set forth in this Declaration;

Issues the following:

“DECLARATION ON THE ONE HUNDRED FIFTIETH ANNIVERSARY OF BOLIVIA”

“The landlocked situation that affects Bolivia is reason for concern throughout the hemisphere, and all the American States offer to cooperate in seeking solutions which, in accordance with the principles of International Law and particularly, of the Charter of the Organization of American States, may help Bolivia to remove the difficulties faced in its economic and social development as a result of its landlocked situation, by conciliating reciprocal interests and promoting constructive understandings.”

Appendix 15

THE CHARAÑA ACT

SIGNED IN CHARAÑA ON THE 8TH OF FEBRUARY, 1975

(1) On the initiative of His Excellency the President of the Republic of Chile, General Augusto Pinochet Ugarte, there was a meeting on the Chilean-Bolivian frontier between him and His Excellency the President of the Republic of Bolivia, General Hugo Banzer, in order to exchange opinions on matters of interest to both countries and on the continental and world situation.

(2) The meeting, took place in a warm and friendly atmosphere, allowed important points of agreement to be identified which reflected the state of the bonds joining Bolivia and Chile and which would allow a joint task to be continued with in order to reach general understanding to the benefit of both nations.

(3) In this respect, the Presidents restated their full adherence to the Ayacucho Declaration, in which

the spirit of solidarity and comprehension existing in this part of America is faithfully reflected.

(4) Both Parties resolved in a spirit of mutual understanding and a wish to be constructive, that the discussion should be continued at various levels in order to find solutions for the vital matters confronting both countries, such as the question of the landlocked position of Bolivia, on the basis of reciprocal agreement and attention to the aspirations of the Bolivian and Chilean people.

(5) The two Presidents resolved to continue to develop a policy in favour of harmony and understanding so that in this atmosphere of cooperation they might jointly find a formula for peace and progress in our continent.

(6) The Presidents resolved that in order to implement the proposals mentioned in this joint declaration, they would reintroduce normal diplomatic relations between their respective countries at Ambassadorial level.

Charaña, 8th of February, 1975.

Appendix 16

BREAKING-OFF DIPLOMATIC RELATIONS WITH CHILE

Today, March 17, the Government of the National Armed Forces has decided to break-off diplomatic relations with the Government of the Republic of Chile, a decision that has just been announced to the Representative of that country in Bolivia.

In order to understand the extent of this measure, it must be compared with its immediate predecessor, that is the resumption of those relations, agreed to on February 8, 1975. In fact at that time, resumption of normal Bolivian-Chilean bilateral relations was justified since both governments had decided, at a very high level and as an expression of a will for mutual understanding, to bestow on the dialogue that was being re established a specific and primordial purpose with a historical content, that of searching in open negotiations a fair and viable solution for the geographical isolation imposed on Bolivia ninety-nine years before by means of a fully sovereign outlet to the Pacific Ocean.

In the time elapsed since then , the Government of Bolivia has exerted its outmost efforts to find basic common grounds and fair terms in the attempt to

reach a solution for the century long Bolivian isolation.

However, after three years of ignoring such efforts, disregarding the expectations of an entire people and scorning a high degree of the Americas' feelings of solidarity, the Chilean Government has maintained, with no attempt at flexibility whatsoever, all its initial conditions, thus making what should have been the basis for a conciliation of criteria a non negotiable attitude of "diktat" which not only counteracts the nature of any negotiation process, but willfully dismisses the spirit of the Charaña document and discards any possibility of making progress towards a solution.

Recent endeavors carried out at the initiative of Bolivia, by means of sending an Ambassador on Special Mission to Santiago, provide additional evidence that the Government of Chile has abandoned the essential commitment that provides a historical explanation for resuming dialogue that was justified by the decision to place it at the fundamental service of our sovereign return to the sea, thus leaving it totally devoid of a *raison d'être*..

In fact, far from finding the required receptivity for identifying new factors that would provide an effective projection to the Special Representatives

level, the confidential enterprise confirmed highly disappointing positions and concepts, such as that Chile, in addition to maintaining all their demands contained in the December 19, 1975 document without any modification, had not exerted any efforts aimed at obtaining a previous agreement with Perú, neither did it consider it should exert any efforts for that purpose, within the framework of the 1929 Protocol. Obviously, those positions make it impossible to promote negotiations with real prospects of achieving their goals in actual fact, as it was analyzed in last February 14 statements.

In the face of those facts, and after exhausting all instances and everything that could be done to persuade the Government of Chile to adopt attitudes that would guarantee observable progress towards the solution proposed by Bolivia, the Government of the National Armed Forces considers it its duty to decide to break-off diplomatic relations with that country. By all background information provided, those relations have lost all meaning for the Bolivian people, as long as Chile maintains an inflexible position

It is necessary to enter into the records that the decision is the result of a very thorough analysis of the situation. It has been taken after having examined it with the earnestness required by a

responsible management of external affairs, as it has been the invariable standard of governmental behavior during the presidency of General Hugo Banzer Suarez. It is also inspired in the undeniable good faith of all the actions of the Government during negotiations about the sea, and, as it was pointed out previously, no one is responsible for the lack of respect for that good faith. We went to Charaña with the earnest purpose of looking for a solution to the foremost problem of our nation, since serving the higher interests of the motherland should not be constrained by fear of uncertainty about any results. Our constant concern has been avoiding the combination of the deepest-rooted national aspiration with demagoguery or circumstantial debate, so frequent in internal political activities.

The Government of Bolivia reserves multilateral instances at the regional and global levels, specially in the framework of the Security Council of the United Nations, to again voice its demand of access to the sea. In those fora, our Representatives will fully present the basis and the extent of the negotiations initiated by Bolivia on August 26, 1975.

We proclaim once again the unremitting right due to the Bolivian nation to reintegrate itself to the Pacific Ocean, and to reassume the maritime

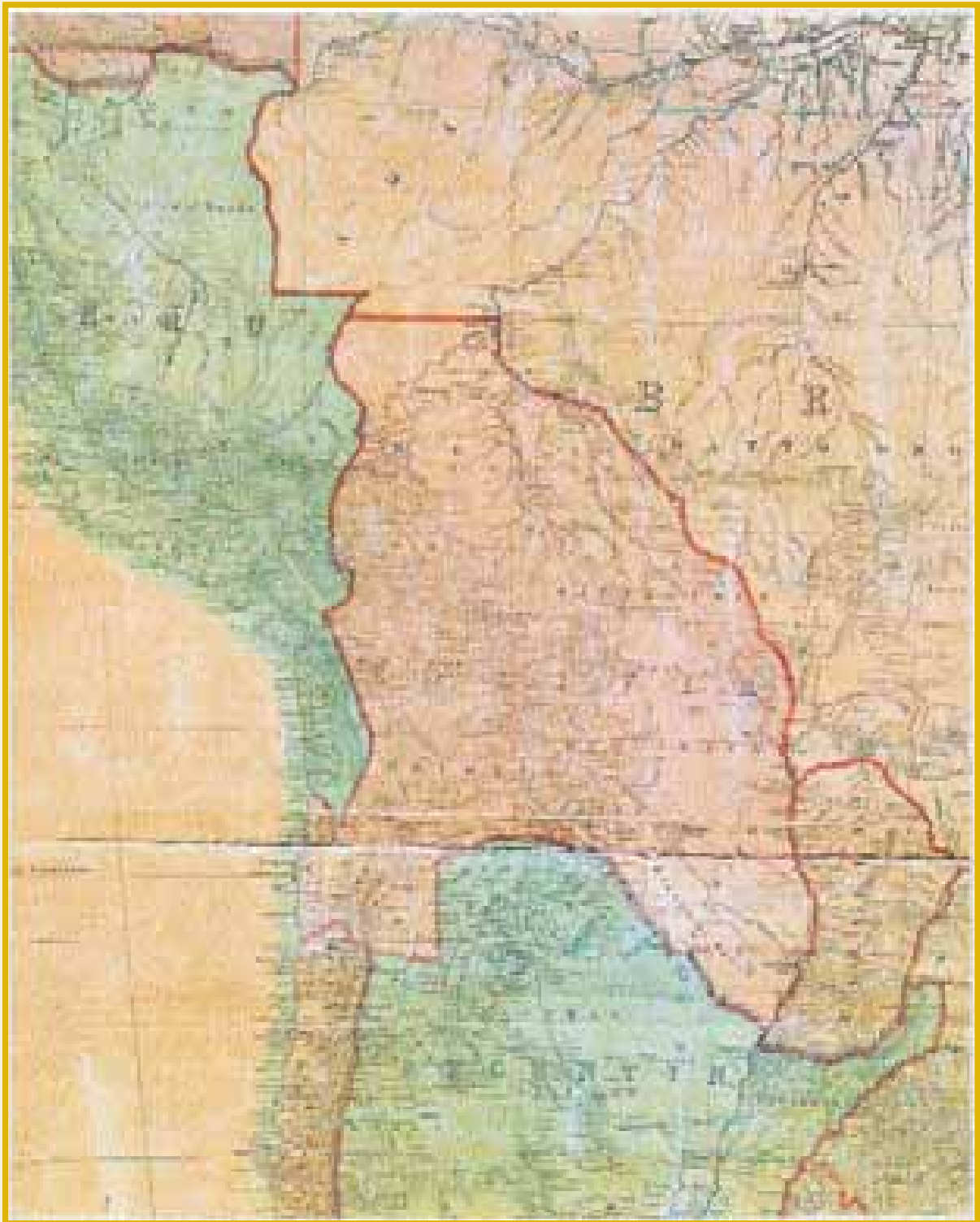
sovereignty of which we were so brutally dispossessed in an unjustifiable war of conquest.

We denounce once again the aggression carried out against Bolivia's geographical heritage by the diversion of the waters of the Lauca River, the reparation of that damage was firmly sustained during the negotiations about access to the sea.

We also consider that systematically placing obstacles to the solution of Bolivia's geographical isolation cannot be an international objective, and that such an attitude takes on the shape of another aggression, this time aimed at the purpose of arriving at constructive agreements which would have provided undeniable benefits, such as the re-establishment of trust among neighboring countries, and it would have promoted ideals of peace, development and integration in the community of the Americas.

We vehemently call upon all Bolivians to set aside their political differences and other circumstantial differences and to express their strong will converging on the achievement of our sovereign return to the sea, because History teaches us that only those causes succeed that can count on the strength of an ironclad national unity . The day will come when Bolivia, by the unremitting decision of its people, will return to the Pacific Ocean because no country can eternally remain in isolation, nor can any nation be insensitive to the demands for solidarity, because the international consensus guarantees the justice of our cause, and because we Bolivians have the virtue of courage that grows to gigantic proportions in adversity.

La Paz, March 17, 1978



Map of Bolivia extracted from a Map of South America published by Johnson, United States, 1876.

Appendix 17

ACCESS BY BOLIVIA TO THE PACIFIC OCEAN

AG/RES. 426 (IX-0/79)

(Resolution adopted at the twelfth plenary session held on October 31, 1979)

THE GENERAL ASSEMBLY,

In a spirit of fraternity, and with a view to the integration of the Americas,

Declares:

That it is of continuing hemispheric interest that an equitable solution be found whereby Bolivia will obtain appropriate sovereign access to the Pacific Ocean, and

Considering:

That it is necessary to achieve the foregoing objective and to consolidate a stable peace that

will promote the economic and social progress of the area of the Americas directly affected by the consequences of the landlocked status of Bolivia, and

Resolves:

1. To recommend to the states most directly concerned with this problem that they open negotiations for the purpose of providing Bolivia with a free and sovereign territorial connection with the Pacific Ocean. These negotiations shall take into account the rights and interests of the parties involved, and might consider, among other things, the inclusion of a port area for integrated multinational development, as well as the Bolivian proposal that no territorial compensation be included.

2. To continue consideration of the topic “Report on the Maritime Problem of Bolivia” at the next session of the General Assembly.

Appendix 18

BOLIVIAN FRESH APPROACH PROPOSAL

Memorandum 1

The Government of the Republic of Bolivia, in accordance with the verbal and informal agreement reached between Their Excellencies the Ministers of Foreign Affairs of Bolivia and of Chile during preparatory conversations held in Bogotá, New York, Lima, and Guatemala in the past year of 1986, which also decided the creation of a Bi-national Commission for Rapprochement, is honored to set the basic guidelines for negotiations to be initiated in Montevideo, capital of the Republic of Uruguay, between the two countries with reference to mutually convenient aspects of the search for a solution to the problem posed by Bolivia's access to the Pacific Ocean.

Therefore, it seems timely to submit to the consideration of the learned Government of the Republic of Chile the following general framework and basic criteria that would prove useful in the initiation of such negotiations:

1. The Government of the Republic of Chile shall cede to the Republic of Bolivia a maritime sea cost that would belong to Bolivia, be sovereign and useful and linked to the territory of Bolivia by an

equally owned, sovereign and useful strip of land included in the following borders:

Northern Border – The Line of Concord, current border between Chile and Perú, up to the intersection of the Bolivia – Perú border on marker V.

Southern Border - From the northern central area of the city of Arica, incorporating port area, infrastructure, services and installations as far as the first bridge on the Lluta River, the crossing with the Arica-Tacna and Arica-La Paz railroad sections and the Arica-Tacna Pan American Highway. Then, the natural boundaries limit shall be the flow of the Lluta River as far as a point to the east of Coronel Alcérreca, and finally a geodesic line up to marker XI in the current boundary between Bolivia and Chile, in such a way that for those segments of the Arica-La Paz railroad and of the Sica Sica-Arica pipeline that run along or remain in Chilean territory right of way shall be agreed to in favor of Bolivia, as well as in Highway A – 15 from Arica to Tambo Quemado, according to the appendix to Cartographic page “Arica” 1700-6800 of the Military Geographical Institute of Chile.

2. In accordance with references set in paragraph 1 of this Memorandum for the new territorial

demarcation, the Joint Bolivia-Chile Boundary Commission shall meet for the purpose of calculating areas and setting the final boundary demarcation.

3. In consequence, the Republic of Chile shall cede the maritime territory included between the base lines or the parallels of the end points of the maritime coastline mentioned in paragraph 1 of this Memorandum.

In its maritime area, Bolivia will apply the principles and regulations that the United Nations Convention on the Law of the Sea recognizes to Riparian States.

Likewise, the Republics of Bolivia and of Chile shall agree through bilateral covenants on the necessary reciprocal cooperation for the exploitation and management of the natural living resources of the sea, in the framework of the aforesaid Convention.

4. The Government of Bolivia undertakes to respect private, legally acquired rights in the territory to be ceded by the Republic of Chile.

5. The Republic of Bolivia shall ensure that its territorial strip, maritime coastline, and territorial sea supplement and contribute to the integral

development of the regions of Arica and Tacna. In the same manner, it will respect international easements applicable on the territory of the strip.

6. On its part, the Government of the Republic of Bolivia is willing to look for a real and

fruitful physical, economic, and cultural integration with the Republics of Chile and of Perú, so as to provide a satisfactory conclusion to the Pacific question that, in its final derivations, has become an obstacle for the development and integration of these nations, generating tensions contrary to the peaceful ends of the three countries.

In order to achieve such a lofty purpose and in view of the considerable challenge the approach of the XXI century represents, and since it is imperative to promote the creation of living boundaries, Bolivia proposes to the Government of Chile the establishment of a Joint Commission to study rational exploitation of the water resources existing in the Bolivian Altiplano basin in favor of the Bolivia-Chile boundary region, primarily protecting ecological balance, the climate, and vital needs of Bolivian townships, as well as existing international agreements.

These water resources could contribute to increase and improve irrigation for the region of Arica and

the territorial strip ceded to Bolivia, as well as to increase the waters of the Lluta River.

7. For the purpose of creating an integrated development pole in the area included between Arica, the territorial strip ceded to Bolivia, and Tacna, Bolivia proposes that a Second Joint Commission be established to study energy, mineral, and agricultural resources that Bolivia, as well as Chile and Perú could contribute. At that time, Perú shall be invited to join this Commission.

As for financing, Bolivia would request support from the United Nations and especially from the Organization of American States, so that through their respective specialized agencies, the Inter American Development Bank and other international financing organizations, credits would be granted for the implementation of projects and engineering works for the development pole and for the use of water resources.

(Signed) Guillermo Bedregal

(Signed) Minister of Foreign Affairs

La Paz, April 18, 1987.

Memorandum 2

The Government of the Republic of Bolivia submits to the consideration of the learned Government of the Republic of Chile the proposal of cession of a territorial and maritime enclave in the north of Chile that would not affect Chile's territorial continuity, in the understanding that such an enclave could have communication with the territory of the Republic of Bolivia by railroads, highways, and multiple ducts, the use of which will be granted in favor of Bolivia, determining as well the feasibility of construction of an airport in the area of the enclave.

The Government of the Republic of Bolivia shall receive this enclave in perpetuity

through a Treaty in which its final boundaries will be established. Bolivia's sovereignty over this territory would be a pledge of the will of both countries for cooperation and solidarity in the Pacific Coast, in the framework of a joint development of the region. For that purpose, it will be imperative that the port ceded to Bolivia be useful in effect for the purposes of shipping, offering possibilities for the installation of mooring piers in case they do not already exist, and all the other means that would facilitate commercial and shipping services.



Map of the Intendancies of the Viceroyalties of Peru and Buenos Aires- By Eduardo Ydiaquez, 1796.

Bolivia submits the following three alternatives for the enclave that it proposes to the consideration of the Government of Chile:

1. FROM CALETA CAMARONES at 19° 12' as far as PISAGUA, which is at 19° 35' with a depth to the east as far as 70° longitude west, with an area of 1,068 km² which are equivalent to a coastline of 42 km and a mean depth of 25 km.
2. FROM TOCOPILLA, 22° 05' towards the south as far as PUNTA COBIJA, 22° 33' with a depth to the east as far as 70° longitude west and an area of 1,238 km² with a coastal front of 47 km and a mean depth of 25 km.
3. FROM CALETA MICHILLA, 22° 43' as far as MEJILLONES, 23° 05' with a penetration towards the east of 70° longitude west, with an area of 1,500 km² that correspond to a coastal front of 50 km with a mean depth of 30 km.

(Signed) Guillermo Bedregal

(Signed) Minister of Foreign Affairs

La Paz, April 18, 1987.

REPLY FROM THE REPUBLIC OF CHILE

Statement by the Minister of Foreign Affairs of Chile

On express instructions of His Excellency, the President of the Republic, it behooves the Ministry of Foreign Affairs to inform public opinion of the following:

1. During the last few weeks, the Minister of Foreign Affairs, Jaime del Valle, has completed a series of presentations aimed at explaining and considering the content of a proposal submitted by the Government of Bolivia with reference to their aspiration of a sovereign access to the Pacific Ocean. Outstanding among those meetings were those held with the Honorable Governing Board, with the Staffs of the Armed Forces, and with the Generals of the Chilean Police Force, Ministers of State, former Ministers of Foreign Affairs, entrepreneurial leaders, newspapermen, and in general different sectors of national life.

2. After that intense stage of analysis, consultation, and detailed information, and within the spirit of gravity and openness that characterize Chile's foreign policy, the Ministry of Foreign Affairs esteems its duty to declare that the substance of the aforementioned Bolivian proposal in its two alternatives is not admissible to Chile, that is the concession of sovereign Chilean territory whether through a corridor north of Arica or corridors along its littoral.

3. Notwithstanding what has been mentioned and consistent with its permanent will of rapprochement with the sister Republic of Bolivia, Chile considers that it can help that country in the search of formulas that, without alteration to its national territorial or maritime heritage, could allow the materialization of a bilateral integration that could effectively serve the development and welfare of both peoples.

4. The Government of Chile considers it its duty to forward these clarifications since it does not consider it fair – whether by silence or delay – to generate confusion among national public opinion or to engender false hopes for the Bolivian Government and its people which time in its passage would defeat.

Santiago, June 9, 1987

Appendix 19

STATEMENT BY PRESIDENT CARLOS MESA AT THE SPECIAL SUMMIT OF THE AMERICAS MONTERREY, JANUARY 13, 2004

“And I believe that on the issue of international relations we must emphasize that relations among our countries, good relations among our countries, are essential since they ensure and allow the free flow of trade, a process of integration, the development of complementary regions. And this is where I want to particularly emphasize that good international relations go through, the way we see it, the need to solve matters that should be solved as a matter of justice.

Today, since we are considering the future with trust, we call upon President Lagos and the Government of Chile to search along with us for a final solution to our maritime claim, on the basis of very clear premises that we believe could be extremely effective. A dialogue in any scenario, basically a dialogue whether in a bilateral scenario, whether sponsored by any friendly country or group of friendly countries, whether it is carried out within the framework of an initiative of a multilateral organization, and in addition a real will to search for a final solution of this matter. And in the third place, a possible shared

capacity to see in the horizon benefits this solution might bring, not only for both countries, Bolivia and Chile, but also for the region as a whole.

Respected Heads of State, I mention this issue, in this Inter American forum because I really believe that the moment our societies are living through, the challenges and risks they face force us to provide substantial answers for substantial problems, with an open mind, in the certainty that the only cause worth fighting for is the cause of those we are accountable to, and because I fully share the idea that America can and should be a nation of sister countries”.

REPLY BY PRESIDENT CARLOS MESA TO THE STATEMENT OF PRESIDENT RICARDO LAGOS AT THE SPECIAL SUMMIT OF THE AMERICAS IN MONTERREY MONTERREY, JANUARY 13, 2004

“Very briefly, a fundamental reflection. It is true that all along history there have been conflicts that have generated territorial losses in many states, but the loss of free and sovereign access to the Pacific Ocean, or to the sea in any condition, has a damaging characteristic which is much more considerable and understandable for all of you. I avail myself of the words expressed yesterday by

my colleague from Paraguay, on the issue of problems for land locked countries. Therefore, one thing is not the same as the other, and Bolivia has lost more than 400 kilometers of coastline and more than 120,000 square kilometers in that armed conflict.

I agree that we must look forward to the XXI century, and looking forward to the XXI century implies providing a definitive solution to an issue about which Bolivia makes a just claim and that is not aimed at making a claim of what the full scenario of that problem was, but of a free and sovereign access to the Pacific Ocean.

I agree that the solution of that problem, in such a manner, in terms of a demand that has no other purpose but that of recuperating a quality, recovering a useful access – because there is no type of advantage that compares or that could be comparable to what was lost – must also go through understanding, as it can be perfectly understood, the impact that such mutilation has

had on the country, on Bolivian society all along its history.

What I am proposing is opening a dialogue that offers something very clear as evidence, that is: that a country has lost an essential quality that it enjoyed in the past which brought about an incalculable economic loss and an incalculable damage which it suffers even today.

And I would finish by pointing out that undoubtedly, resuming diplomatic relations is a vehement wish of Bolivia's, and that it would certainly become effective the minute the problem is definitively solved. The proof that the problem exists is that we are discussing it even today and that many of you, in solidarity, have expressed your support for Bolivia for the definitive solution of this problem. I would like to express my gratitude to the members of the Inter America International Community who have lent us their support because they understand that for Bolivia this is a fundamental question”.

Appendix 20

STATEMENT OF THE BOLIVIAN CONGRESS

D.C. N° 002/03-04

The Honorable National Congress of Bolivia

FIRST. Its firm conviction that the claim for access to the sea is a right the Bolivian people cannot resign, on the basis of the historical claim for our sovereign access to the Pacific Ocean, from which it was dispossessed by Chile in 1879.

SECOND. Its most firm and decided support for all efforts carried out by the President of the Republic in the international arena in favor of Bolivia's just maritime claim, in search of a free, sovereign and useful access to the Pacific Ocean.

THIRD. That the Bolivian people, represented by its fundamental institutions, and social, political, and economic organizations, maintains the most solid National Unity about this historical claim.

FOURTH. Its gratitude to the governments and peoples of the region and to the international community, for the support they have offered Bolivia, and specially to the people and

government of Perú for their express constructive and friendly disposition to facilitate our sovereign access to the Pacific; as well as to the Presidents of Venezuela, Hugo Chávez; of Brazil, Luiz Inacio Lula Da Silva; of Cuba, Fidel Castro; of Argentina, Néstor Kirschmer; of Uruguay, Jorge Batlle; of Mexico, Vicente Fox; and to the United Nations Secretary General, Kofi Annan; to the former President of the United States of America, Jimmy Carter; to the members of parliament of Cuba, the European Union, the Andean Parliament, and to other personalities of the international scene for their support for the Bolivian claim for access to the sea and for their commitment to the principles of justice and brotherhood among the peoples of America and the world.

FIFTH. Its gratitude for the growing citizen and institutional expressions of the Chilean people in favor of a just solution for our claim as a necessary step to achieve a real and effective stability, integration and development of our countries and of the region as a whole.

Given at the Meeting Hall of the Honorable National Congress, on the twentieth day of the month of January of the year two thousand and four.

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