



# **IS CHILE A MARITIME POWER?**

**Christopher Green**



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**Christopher Green, Captain, Chilean Navy**

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What I wrote in the following few pages represents my thinking; the mistakes you will surely find are not attributable to anyone else. My purpose is to contribute, from a new perspective to the debate on the importance of the maritime domain in the development and well-being of Chile.

**Viña del Mar, May 2022.**

## **Preface: Whether Chile is a Maritime Country**

Whether Chile is a maritime country, how should this be defined and what are its implications all stand as important questions to be asked because they will, or at least should, shape that country's social, economic and political policy. This is especially true as we all prepare for the rest of what is often predicted to be a century particularly shaped by what happens at sea. We rely increasingly on the resources of the sea and our peace and prosperity depend in large measure on the capacity to move people and goods across the sea. These days the environmental and climatic contribution that the world ocean makes to the present and future physical health of the planet is much more widely recognised than it used to be. And of course, it is militarily significant as well, since, from time immemorial, the sea as the world's greatest physical 'manoeuvre space' has been fought over as a place from which strategic power can be projected ashore. The sea has always been important for all these reasons, but never more so than now. The opportunities it offers are legion.

That said, what do we mean by that word 'maritime,' especially when as an adjective, it is applied to a country? The obvious point is that maritime applies to activity that is closely related to the sea. Thus, it is most likely to include much more than the merely 'naval' since that term is usually limited to military rather than civilian concerns. A country's maritime interests can therefore include a whole range of sea-related activity from the military-strategic to the economic and social, and everything in between. The more maritime interests a country has, the more maritime it is likely to be, and the less land-centric or 'continental' in consequence.

This is an important point. Being maritime is not an absolute but a relative matter. It is a question of degree, and it is hard to think of any country anywhere that does not show a mixture of both sea-centric and land-centric characteristics. Countries are more, or less, maritime than others - and sometimes more or less than they have been in the past or may be in the future. Moreover, some parts of a country may well be much more maritime than others

All this raises critical questions of policy. To what extent should, and indeed can, governments seek to change the degree to which their countries sustain and perhaps develop their maritime interests and characteristics. On the face of it the answer seems to be 'as much as they can.' At least that appears to be the conclusion that very many countries around the world are reaching to judge by their collective determination to encourage the 'blue' aspects of their economies- and to build up their navies. The impressive extent to which this is true of modern China is only the most obvious example of this. China also currently illustrates the clear advantage of the country taking a holistic, all-round approach to any such policy, for that is the means of assuring that all the maritime aspects of that country work with each other rather than in isolation or, worse, even in opposition. Breaking down the 'silo' nature of departments and agencies is surely the way to get things done.

So, if we conclude like Shylock in Shakespeare's Merchant of Venice, 'thou knowest that all my fortunes are at sea' it is plainly important that we start policy with a dispassionate analysis of a country's maritime characteristics and their relative strengths and weaknesses. This is what Christopher Green provides us with in this calm, objective and thoughtful analysis of the maritime nature of Chile. He builds on the famous, if controversial, first chapter of Alfred Thayer Mahan's *The Influence of Sea Power on History 1660-1783*, first



published in 1890 where the great man explored a country's predisposition towards the maritime and, if implicitly, on the way in which these characteristics can be developed.

The author singles out the main characteristics. A country's geography is obviously a key factor in the equation, as is its governmental system and the nature of its society. These are all intimately bound up with shape and nature of its economy. Nor does Christopher Green leave out a critical point that a country's maritime nature can be a source of weakness rather than of strength, if it is not properly nurtured and protected against a whole variety of threats, actual and potential. This is where a country's naval and coastguard forces come to the fore. Directly and indirectly, they protect trade, and most importantly, the conditions for trade.

By ranging as he does over the whole course of Chile's history, Christopher Green also draws attention to the extent that Chile's maritime fortunes have waxed and waned, according to the degree with which they have been neglected rather than nurtured. But perhaps this is evidence that in fact maritime power has a natural propensity to decline, unless corrective action is taken. The extent to which both the fishing and ship-building industries of much of Europe have declined over the past several decades is a case in point. Partly a consequence of keen competition from Asia but also because of peoples' understandable propensity to seek more comfortable and better paid jobs elsewhere, the result is a general decline in 'sea-mindedness.' The author makes excellent use of Chile's past experience to show the adverse consequences that can follow.

Whether or not, his readers will take this as a call for positive action to manage a problem too important to be left to its own devices and to market forces, they will be in a much better place to judge after reading this important and insightful review of the extent to



which Chile is, or is not, a maritime country. To my mind at least, the evidence is here, and the way forward clearly identified.

**Geoffrey Till**  
**Newport, April 2022.**

## **Introduction**

Is Chile a Maritime Power? Many recent studies have tried to answer this question based on two factors: the country's geographical condition and/or the Navy's history. For many authors, these sole reasons are enough for considering the country as a maritime power. In recent years, the question arose again amidst the celebrations of the bicentennial anniversary of the Navy. The answer seems to be important not for the Navy, but for the country's future because so much of the population's well-being depends on the foreign trade carried at sea.

This research will examine, to the extent possible, Chile's condition as a Maritime Power by analyzing five factors or dimensions that experts have determined as relevant for achieving this condition: political leadership, geography, society, the economy, and the Navy. A comprehensive answer will be attempted by studying each of these factors, in order to understand how maritime Chile is and if it is a maritime power. In order to achieve this objective the study will focus on specific periods of Chilean history: the political and fiscal tools introduced during the 19th century to allow free trade; the political leverage to create institutions related to this domain, in particular, the Navy and the Merchant Marine; the geopolitical decisions to annex new territories or to trade them for strategic maritime chokepoints, such as the Magellan Strait; the creation of the two hundred miles Economic Exclusive Zone; and the contribution to this question that the first Spanish settlers, the indigenous people, and later Europeans immigrants made.

In this essay, a Maritime Power will be understood as one emphasizing the multiple activities carried out by a State that, by the *active and conscious* use of the sea, seeks to enhance the country's political, economic, social, and military benefits. A key element of this definition is the willingness to transform a continental state into a maritime one, considering

that although all the benefits the sea brings to the people, it is not a natural place for humans compared to the land. Chile is already considered to be “maritime” due to its physical configuration, the dependency on foreign products such as energy that comes from abroad by sea, and the necessity of maintaining sea routes to connect with the southern part of the country, were the characteristics of the terrain prevent roads from being built.

But this essay goes a step further from being just “maritime”; it will demonstrate that Chile, due to many factors, already has characteristics of a “maritime power,” a condition that has been built, consciously or unconsciously, since the beginning of the republic. It will also try to demonstrate the link between the condition of a maritime power with the achievement of social and economic progress. The achievement of this condition, however, is dynamic and the maritime power status is not permanent, especially because being a rather small country, it must constantly adapt to the realities of the world order. Globalization today provides the perfect scenario for the country, but this process might not last. For Chile, perhaps the maritime condition will never be completely achieved if most of its inhabitants continue to hold a continental mentality. Finally, this essay will demonstrate the importance in how the State tunes these aforementioned factors. By having a maritime strategy to balance all the dimensions that Chile needs for achieving the condition of a maritime power, the country would be able to improve the national well-being. Although is difficult to have great performances in all these domains, a maritime strategy would at least allow us to identify the weaker elements and transform them into opportunities. Chilean history demonstrates that these strategies have been used before, and when correctly applied, they have dramatically improved the country’s performance.

In order to give an integral answer, the essay is divided into five chapters, one for each dimension, political, geography, economy, the maritime society and finally the Navy. Each of the chapter might be read as an individual, however, it's the interrelation between them that will present the wider answer to the research question.

## **Chapter 1: The Political Factor**

Maritime powers are political creations.<sup>1</sup> It is normally an elite within the country that defines the type of relationship between the nation and the maritime domain by explaining how it will use it to improve society's well-being and achieve its long-term objectives. In the Chilean case, part of that elite has been the government, which through a top-down process, created the conditions to transform the country into a maritime power. But politics and policies change over time. Countries experience different social and economic realities; thus, the political leadership adapts to meet these changes, resulting in adjusting policies, and consequently, the way they approach the sea, making the political factor a critical element of this study.

Most countries have long-term national objectives that define the ways nations will confront their future. In the Chilean case, these objectives are specified in the Constitution. This social contract explicitly establishes that social prosperity and territorial integrity are the core of the government focus. With these objectives in mind, the question of this chapter is to what degree the state—represented in the Chilean case by the President—chooses to use the maritime domain as one of the means to achieve these objectives. As in any long-term strategy, this question is a political choice that, as this chapter will clarify, changes depending on factors such as economy, society, and culture. Chile's political spectrum has gone from left to right, with authoritarian to liberal governments, all of them with different understandings and policies with regards to the maritime domain.

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<sup>1</sup> Andrew Lambert, *Seapowers States, Maritime Culture, Continental Empires, and the Conflict that made the Modern World* (London: Yale University Press, 2018), 330.

This chapter will review the different approaches that these governments adopted towards the maritime domain and their positive or negative contribution to building this relationship. The overall product will help to determine if the Chilean policies demonstrated the political will to effectively use the sea to transform society, and thus, the condition of maritime power.

### **Chile during the Spanish ruling period**

During the Spanish colonial period, centralized control from the Spanish Crown prevented any commercial initiative in the Americas other than those conceived by the Crown, or its representative in the Viceroyalty of Perú. Chile was no exception: a governor ruled under strict instructions from Lima, the Viceroyalty's capital, who decided on most of the colony's affairs, from trade to defense. Even the Governor was designated from abroad.<sup>2</sup> There was no incentive for the population to do anything different than what was directed by the Crown.

In Chile, the settlement of a colony proved to be a difficult task: the geographical characteristic of the country, and its geographical distance from Madrid were far from ideal. The colony was—and still is—surrounded by geographic barriers such as the world's driest desert in the north, the Andean Mountain chain to the east, the unknown to the south, and the Pacific Ocean to the west. This long and thin piece of land was by no means Spain's first choice for possession and settlement. The indigenous population, the *Mapuches*, was a warfighting culture that opposed colonization for more than 400 years, only exacerbating the poor Spanish opinion of the colony. With scarce quantities of gold or silver, compared to Peru; or the Argentine farming land, Chile was not considered an important station. During

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<sup>2</sup> Diego Barros Arana, *Historia General de Chile, Tomo Segundo* (Santiago: Editorial Universitaria, 2000), 65. The original version was published in sixteen volumes between 1881 y 1902.

the seventeenth and eighteenth centuries, there were two main political objectives: the expansion of the Spanish rule to the south, basically a land counter-insurgency type of operation against the *Mapuches*, and wheat production to support the local population and Perú, trade that was performed by a small trading Fleet controlled by the Crown.<sup>3</sup> This incipient trade was heavily regulated by the Spanish Crown from the early days of the colony, restricting all commercial exchange to Spaniards rather than locals. The Spanish intercolonial system allowed no third parties, only those appointed by the Spanish ruler.<sup>4</sup>

In terms of distance, Chile was the Crown's most remote possession, a factor that also played against foreign visitors. Distance made Chile an unlikely foreign target. Only two overseas expeditions were recorded during the colonial period, which had significant effects on the internal policy. Sir Francis Drake's world expedition touched Chile in 1578, and was utterly unexpected by the local authorities, and a Dutch raid to the coast in the same period. After lurking off the Chilean coast, Drake attacked three Spanish settlements, capturing the only ship that traded with Perú. Although not a great bounty, it forced the local government to decree that trade between Chile and Perú should be made through a convoy system, thus making the exchange slower.<sup>5</sup>

The Spanish ruling method was based on the distribution of land to new Spanish settlers, mostly soldiers or farmers, who were additionally provided with a local labor force. This provided no incentives to seek other sources of income. In the words of one Chilean historian of the nineteenth century, "Spain did not give or intend to give an industry. The

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<sup>3</sup> Simon Collier and William Slater, *A History of Chile, 1808-2002* (Cambridge: Cambridge University Press, 2004), 9-11.

<sup>4</sup> Barros Arana, *Historia de Chile*, Tomo V, 79.

<sup>5</sup> *Ibid.*, 97, 236, 350-51.



soldier didn't arrive to become a laborer.”<sup>6</sup> Before independence, the wealthiest group in society were these landlords or *encomenderos*, as they were locally known, who lacked industrial skills, and the indigenous inhabitants, who were the primary workforce, who lacked interest in the cultivation process. As a result, the colony was “nothing but a vast area in which products were almost spontaneously grown.”<sup>7</sup>

### **O'Higgins' vision of post-Spain Chile**

Nothing changed until the country's independence from Spanish rule, effectively in 1818. Bernardo O'Higgins, the founding father of the new Republic (a similar figure to George Washington in the United States), being educated in Britain, was aware of the importance of international trade for the evolution of the new country. One of his first political acts, along with the creation of the National Congress, was the establishment of freedom of trade in all major Chilean ports.<sup>8</sup> Along with this action, and after the last land battle for Independence, O'Higgins stated, “This triumph and a hundred more will become insignificant if we do not dominate the sea.”<sup>9</sup> He recognized that the new Republic's safety depended on preventing Spanish reinforcements of their South American strongholds: Chiloe and Valdivia in the southern part of the country; and the liberation of Perú from Spanish rule. To achieve these objectives, it was necessary to develop a Navy, to transport troops and to isolate those Spanish forts from receiving external aid. The agrarian culture of the country under Spanish

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<sup>6</sup> Anibal Pinto, *Chile, un caso de desarrollo frustrado* (Santiago: Editorial Universitaria, 1959), 13.

<sup>7</sup> Ibid., 13.

<sup>8</sup> Barros Arana, *Historia de Chile*, Tomo VIII, 267.

<sup>9</sup> Enrique Larrañaga, “Bernardo O’Higgins, Forjador del Poderío Marítimo de Chile”, *Revista de Marina*, N°4 (2006), 356.

rule meant there were few expert local sailors, so O'Higgins brought to the country a number of British officers to help in building a fleet.<sup>10</sup>

O'Higgins' political contribution towards building a maritime power was decisive. His vision of a powerful society was closely linked to the maritime domain. His approach was comprehensive, involving cultural, economic, geographical, and military aspects. He used the few resources available for the Navy's creation to establish the Naval Academy in 1818, and he set the legal bases to create the merchant marine.<sup>11</sup> He gave countless speeches to Congress with his thoughts on what Chile should be as a nation, and in particular, his views on colonizing of the southern part of the country with immigrants.<sup>12</sup> He argued that Chile needed to explore and facilitate navigation through the southern inner waters and he emphasized the importance of taking possession of the Strait of Magellan to dominate the southern sea trade routes.<sup>13</sup> As Supreme Director<sup>14</sup>, he understood the immense value that the sea possessed for Chile's future. He saw its enormous potential for the country and the possibility of its becoming the maritime power of the Southern Pacific.<sup>15</sup> He understood that Chile was highly dependent on maritime communications and that the sea would prove to be vital during a war: politically, strategically, and economically.<sup>16</sup>

But O'Higgins' revolutionary attempt to move Chile away from simply being an agrarian society created friction, especially with the Landlords, who saw these ideas as challenging to their position. This resulted in O'Higgins abdication in 1823, to avoid a civil

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<sup>10</sup> Barros Arana, *Historia de Chile*, Tomo XIII, 173-93.

<sup>11</sup> Barros Arana, *Historia de Chile*, Tomo XI, 604.

<sup>12</sup> Larrañaga, "Bernardo O'Higgins, Forjador del Poderío Marítimo de Chile," 355.

<sup>13</sup> *Ibid.*, 354.

<sup>14</sup> Supreme Director was the first title given to whomever was in power after independence. The President's title would replace the latter from 1826.

<sup>15</sup> Larrañaga, "Bernardo O'Higgins, Forjador del Poderío Marítimo de Chile," 355.

<sup>16</sup> Barros Arana, *Historia de Chile*, Tomo XI, 603.

war.<sup>17</sup> However, the concepts that he brought to the government remained for several decades, primarily through one particular minister who shared O'Higgins' views, Diego Portales.

### **The Conservative Republic and Portales' Principles**

After the O'Higgins era, the most traditional sector of society established a period of conservative governments that lasted nearly forty years. The most influential minister of this period was Diego Portales, an upper-class Chilean citizen of an old family of Spanish landlords. As a merchant, he understood the need for Chile to embrace international trade as a means of achieving the country's economic stability. A trader by profession, he saw how part of his businesses and many other entrepreneurs as well were affected by anarchy and political mismanagement. Also, he perceived a high degree of democratic immaturity in the population, strongly influencing his vision of the need for strong and semi-authoritarian governments to achieve both the stability necessary for the development of the country and the reeducation of society with regards to values and virtues.<sup>18</sup>

Although he never ran for the presidency, he used his position as head of the two most important ministries of the time, Foreign Affairs and Interior, to secure his particular vision of Chile's role as a regional maritime power in the region, thereby transforming the country's approach to the sea in a top-down way.<sup>19</sup> Together with the Finance Minister, Manuel Rengifo, he created the political conditions to establish the country's basic maritime

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<sup>17</sup> Barros Arana, *Historia de Chile*, Tomo XIII, 817.

<sup>18</sup> Humberto Hernández, "Diego Portales, 1793-1837, Bases doctrinarias para la construcción de la República," *Revista de Marina*, N°6 (1993), 4.

<sup>19</sup> Diego Portales to Manuel Blanco Encalada, September 10, 1836, <https://historiachilexixudla.wordpress.com/2008/09/03/epistolario-de-diego-portales/>

foundations, such as: a powerful customs system; an emphasis on tax reform; the promotion of international trade; the provision of special laws for cabotage; and the creation of a merchant marine and free trade warehouses in Valparaíso, among others. As Pinto concludes:

Independence opened the doors of the Chilean economy. It was the primary contributor to the economic development of the country... Chileans did not miss the opportunity aroused by new markets, buyers, and suppliers. They welcomed them with such powerful energy and imagination that in the short term, they placed the country at the head of Latin America and a level that in relative terms had nothing to envy that if the emerging U.S. or any of many European nations of the old continent.<sup>20</sup>

Portales and Rengifo created during the first half of the nineteenth-century fiscal warehouses in Valparaíso where traders could store their goods for up to six years, without paying taxes, until the market value of these goods reached a reasonable level. This action positioned Valparaíso as the main gateway for the Eastern South Pacific countries, and in particular for Ecuador, Peru, and Bolivia.<sup>21</sup> By the mid-19<sup>th</sup> century, three-quarters of Peruvian imports entered the region through Valparaíso's free warehouses.<sup>22</sup>

Portales improved the laws and concentrated the authorities' efforts to disrupt and reduce smuggling, which had been adversely affecting the national economy. In 1832, he proposed the construction of a fleet of 300 coast guard vessels to prevent the smuggling of specie; unfortunately, it was never put into action.<sup>23</sup> This government approach is an

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<sup>20</sup> Hernández, "Diego Portales," 5.

<sup>21</sup> Daniel Martner, *Estudio de la Política Comercial Chilena e Historia Económica Nacional*, Tomo I (Santiago: Imprenta Universitaria, 1923), 148, 215.

<sup>22</sup> Collier and Slater, *A History of Chile*, 61.

<sup>23</sup> Diego Portales to Antonio Garkias, March 28, 1832, <https://historiachilexixudla.wordpress.com/2008/09/03/epistolario-de-diego-portales/>

important characteristic of maritime powers. As Andrew Lambert argues, seapower states “are active in suppressing piracy – which is both a hindrance to trade and causes higher insurances rates.”<sup>24</sup>

Portales understood quite early that the emergence of foreign regional powers would seriously affect Chile’s security. In a letter to a friend, he expressed his apprehensions about the Monroe doctrine, arguing that Chile had to be careful to get out of the hands of one ruler (the Spanish), only to fall into another one (the Americans), pointing out that this doctrine seemed to be the harbinger of a plan to conquer the continent, not by arms but by influence.<sup>25</sup> Also, responding to the creation of the Peru-Bolivian Confederation, Portales saw it as a source of conflict that would affect Chile’s leading role in the region and the Pacific. Using all his influence as a minister, he convinced Congress to declare war against this newly created coalition. In a letter to the Commander-in-Chief of the expedition, he reflected on his vision of what Chile should be:

The Confederation must disappear from the American scenario. Its geographical extent; its largest white population; the combined resources of Peru and Bolivia barely exploited now; the dominance that the new organization would try to exercise in the Pacific and thus taking it away from us. Naval forces must operate before the Army, striking decisive blows. We must dominate forever in the Pacific. This must be our maxim now, and I wish it would be forever.<sup>26</sup>

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<sup>24</sup> Lambert, *Seapowers States*, 330.

<sup>25</sup> Diego Portales to José M. Cea, March 1822, <https://historiachilexixudla.wordpress.com/2008/09/03/epistolario-de-diego-portales/>

<sup>26</sup> Diego Portales to Manuel Blanco Encalada, September 10, 1836, <https://historiachilexixudla.wordpress.com/2008/09/03/epistolario-de-diego-portales/>

Portales's political approach to the maritime domain comprised in four basic elements: it was politically nationalistic, economically integrated, militarily defensive, and aspired to naval hegemony.<sup>27</sup> Ultimately, he considered that the country's economic development should be defended in peace with a powerful custom system, and during conflicts through the use of all national power elements, including a powerful Navy. Regarding the Merchant Navy, he considered that national trade should not be allowed to foreigners who did not reside in the country, reserving cabotage exclusively for domestic ships.<sup>28</sup> This law would be partially revoked only in 2019.

But as it was with O'Higgins, Portales's ideas created a lot of friction within the country, especially amongst the original landlords and part of the Army, who saw how their power diminished in favour of a new economic elite. Rebellious officers thought the minister was using his powers to purge the service, so they abducted and assassinated him.<sup>29</sup> Nevertheless, Portales's ideals transcended his tenure. Fortunately, his ideas continued to dominate the country's economic policies, which were focused on maritime trade for over a century until the Great Depression. Ministers continued to favor trade, transforming its tax revenues into the country's primary source of income. Consequently, as a result of the increase in foreign trade, Chile grew economically and financially, beginning a virtuous economic cycle. Between 1840 and 1860, trade increased five-fold, with about 4000 ships per year moving to Chilean ports like Valparaiso by 1870.<sup>30</sup>

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<sup>27</sup> Adolfo Paul, "Portales: el Estado en Forma," *Revista de Marina*, N°1(1993), 24.

<sup>28</sup> Martner, *Política Comercial Chilena*, 185.

<sup>29</sup> Eugenio Necoechea, *Memoria Sobre el Asesinato del Ministro Portales* (Santiago: 1874), 1-2.  
<http://www.memoriachilena.gob.cl/602/w3-article-7849.html>

<sup>30</sup> Collier and Slater, *A History of Chile*, 75.

In less than fifty years since independence, the political leadership had embraced free trade as the core of the country's economic system but also set the bases for several maritime institutions such as the merchant marine, the naval academy, customs, and a financial system that inserted the country into the South Pacific community. As Collier and Slater observes:

The Chilean peso ("bird money", as it was known, from the condor on one face of the coin) became one of the currencies circulating in the Polynesian islands (when Robert Louis Stevenson bought his land in Samoa in 1890, the price was in Chilean pesos); acacias and carob trees from Chile took root at various far-flung points around the Pacific.<sup>31</sup>

Valparaiso remained the most important trading city in Chile and the South Pacific. After the discovery of gold in California in 1849, Valparaiso logistically supported an important part of this new American settlement. Also, the establishment of an extensive logistics storage infrastructure in 1854, the creation of the first Bank in Chile in 1855 and formation of the first Trade Exchange and trade union association of South America in 1858, transformed Valparaiso into the pearl of the Pacific.<sup>32</sup>

### **The Liberal Republic**

The year 1861 began with a change from a conservative towards a liberal regime. Liberal ideas influenced the ruling elite, changing the country's vision on many social issues. Politically, the reforms were aimed to diminish the President's power, empowering Congress. Although free trade remained at the center of the economic system, the government's

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<sup>31</sup> Ibid., 62.

<sup>32</sup> Martner, *Política Comercial Chilena*, 181-184.



objective was to industrialize the country to provide a better economic infrastructure.<sup>33</sup> However, they failed to achieve this goal and, although the commodities exports continued to provide the most significant part of the budget, the national income was heavily impacted whenever there was an international fall in demand.<sup>34</sup> O'Higgins' vision of a maritime economy was only partially met. The maritime domain, in the eyes of the society and politicians, became only a means for trading rather than a real agent of development, as will be discussed in the maritime economy chapter. And only a few parts of the society were directly linked with the business model, most of them dominated by foreigners that had come to Valparaíso to take advantage of the trading system, sending most of their revenues back to their respective countries, with very little investment in Chile,<sup>35</sup> a factor would prove decisive for the future of the economy, as will be later discussed.

Under the liberal regime, policies focused on investments through private and public-private partnerships, improving communications systems such as the telegraph, a better railway net to connect the productive centers with the ports, and a merchant navy to connect foreign markets with Valparaíso.<sup>36</sup>

Although the country understood the importance of the Navy for the future development of the country, the liberal political decision to restrain investment in the military heavily hit the service. During this period, the Navy had only one proper warship.<sup>37</sup> There might have been some naivety in these liberals' views, which were embedded in a Pan-

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<sup>33</sup> Julio Pinto Vallejos, "Valparaíso: Metrópoli Financiera del boom del Salitre," in *Valparaíso, 1536-1986*, ed. Julio Pinto (Valparaíso: Universidad Católica de Valparaíso, 1987), 119-29.

<sup>34</sup> Collier and Slater, *A History of Chile*, 127-28.

<sup>35</sup> Juan Ricardo Couyoumdjian, *El alto comercio de Valparaíso y las grandes casas extranjeras, 1880-1930. Una aproximación* (Santiago: Universidad Católica de Chile, 2000), 73-75.

<sup>36</sup> Martner, *Política Comercial Chilena*, 309-11.

<sup>37</sup> Ministerio de Guerra y Marina, *Memoria del Ministro de Estado al Congreso Nacional, 1865*, 9.

Americanism spirit, partly relying on setting aside differences between the countries of the continent as a means for security, rather than investing in defence.

This political decision led to a strategic error when Spain, trying to maintain its influence in the continent, sent a fleet to protect what it saw as its possessions, particularly a small archipelago off the coast of Perú that produced *guano*, a natural fertilizer. The Chilean President declared war against Spain in 1865, despite having only one warship. The result of this war was devastating for the Chilean economy. After some initial Chilean tactical success, such as the capture of the Spanish schooner *Virgen de la Covadonga*, the larger Spanish fleet blocked most of the country's ports and dispersed the national merchant fleet. This blockade forced the merchant fleet to change their flag to a third party, to avoid capture as war prize. The merchant fleet at that point consisted of 258 ships was reduced to seven.<sup>38</sup> After four months, the Spanish Admiral Mendez-Núñez, frustrated by the Chilean government, who refused to surrender, bombed Valparaíso, destroying the harbors, the fiscal warehouses, and parts of the critical infrastructure. The damages only in merchandise were estimated at US \$224 million, in 2013 prices.<sup>39</sup>

The Chilean government learned its lesson. It would never again reduce the country's naval power. Valparaíso was fortified with 19 forts, and in 1871 the country ordered two armored vessels. The ironclads *Cochrane* and *Blanco-Encalada* became one of the most modern and powerful warships of the South Pacific, signaling the beginning of a new naval era. In 1875, the government built new fiscal warehouses, the most modern Victorian

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<sup>38</sup> Comparison between the list of Ships on September 1, 1865, and June 1, 1867. Data available at *Memoria del Ministro de Estado al Congreso Nacional, 1866, 206* and *Memoria del Ministro de Estado al Congreso Nacional, 1867, 208*.

<sup>39</sup> Kenneth Pugh, "Guerra contra España, a 150 años de una Lección Aprendida," *Revista de Marina*, N°2 (2016), 11.

technology complex in the South Pacific, and the first mechanized dock with hydraulic cranes, helping to recover Valparaíso's logistical influence in the South Pacific, and increasing the storage capacity that existed before bombardment. It took ten years to regain national maritime power.<sup>40</sup>

Chilean economic expansion brought tensions with its northern neighbors, Perú and Bolivia. In 1879, a dispute erupted over mining rights in the north of the country, a region with ambiguous borders, but widely exploited by Chilean miners. The government, despite weaker numerical forces than the combined Peruvian and Bolivian forces, decided to wage war which ended after almost five years with the occupation of the Peruvian capital, Bolivia's loss of its coastal regions, and the annexation of a nitrate-rich area that would be the engine of the national economy for the next 30 years.<sup>41</sup> Chile had emerged as a regional power.

But during the same period, the government had to deal with another neighbor, Argentina, which took advantage of the Chilean war and challenged the sovereignty of Patagonia and the Magellan Strait. In an interesting decision, the government decided to settle the dispute by recognizing Patagonia, East of the Andes, a vast territory, as Argentine but reaffirming its sovereignty over the Strait, which, if lost to Argentina, would have given Argentina access to both oceans, including the Pacific markets. That was an unacceptable condition for the Chilean government,<sup>42</sup> demonstrating the importance given to maritime strategic choke points over land, one characteristic of maritime powers.

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<sup>40</sup> Pugh, "Guerra contra España" 13.

<sup>41</sup> Carmen Cariola and Osvaldo Sunkel, *Un Siglo de Historia económica de Chile 1830-1930* (Madrid: Instituto de Cooperación Iberoamericana, 1982), 126-27.

<sup>42</sup> "Tratado de límites de 1881 entre la República de Chile y la República Argentina," available at [http://www.historia.uchile.cl/CDA/fh\\_article/0,1389,SCID%253D15651%2526ISID%253D563%2526PRT%253D15646%2526JNID%253D12,00.html](http://www.historia.uchile.cl/CDA/fh_article/0,1389,SCID%253D15651%2526ISID%253D563%2526PRT%253D15646%2526JNID%253D12,00.html)

The emergence of Chile as a regional power in South America was also followed by the U.S., another rising power, who saw an opportunity to diminish the country's influence in the region. Using as an excuse a minor incident in which two U.S. sailors of the USS *Baltimore* were killed after a bar fight, the U.S. sent ultimatum asking for compensation that was considered unacceptable by the Chilean President. However, understanding the consequences of a possible war against the U.S., President Montt, an active Navy officer and veteran of the war against Perú and Bolivia, minimized the event in his discourse to the Congress. He said it was an unfortunate event and decided to agree to the U.S.'s demands to avoid a war that was not seen as necessary.<sup>43</sup>

After the USS *Baltimore* affair, from a political perspective, governments failed to invest the profits of this economic boom to build a diverse industrial base, and, as a consequence, every time there was an international financial crisis or a fall on the export of commodities such as copper or nitrate, the country experienced heavy losses. In 1900, a Chilean politician, Enrique MacIver addressed some of the national elite asking them what had happened:

Where did we go? We supplied with our products the American coasts of the Pacific and the islands of Oceania of the Southern Hemisphere; we were looking for gold in California, silver of Bolivia, the products of Peru, cocoa from Ecuador, coffee from Central America, we created banks in La Paz and in Sucre, Mendoza, and San Juan;

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<sup>43</sup> Discurso de S.E. el Presidente de la República a la apertura del Congreso Nacional, 1892, 4; Joyce S. Goldberg, "Consent to Ascent. The Baltimore Affair and the U.S. Rise to World Power Status," *The Americas*, Vol. 41, No. 1 (July 1984), 21-35. <https://www.jstor.org/stable/1006946>

our flag ran in all the seas, and our companies and our hands worked wherever there were seas, chasing new wealth.<sup>44</sup>

Only a sliver of this maritime spirit remained. During this period, the country's economic system, instead of expanding incomes by diversifying the economic base, remained heavily focused on exporting commodities. Consequently, during the Great Depression, the country was the most heavily affected in Latin America because it had no alternative model to keep the economy running.<sup>45</sup>

Nonetheless, one characteristic of the liberal period was the government tendency to think in economic ways when pursuing the national objectives, as depicted in their decision to concede to Argentina the vast Patagonian region while keeping tight control over the Magellan Strait, or in the decision to accede to the U.S. demand over the USS *Baltimore* case, rather than endangering the economy by another conflict.

### **The inward-looking period**

After the crisis provoked by the Great Depression, there was another change of policies within the country. A new social movement demanded reforms that changed the economic system, and consequently, reshaping the country's approach to the sea. If the nineteenth century was focused on foreign expansion and free trade, the new century saw an inward-looking political turn. As Collier observes:

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<sup>44</sup> Enrique Mac Iver, *Discurso sobre la Crisis Moral de la República* (Santiago: Imprenta Moderna, 1900), 10.

<sup>45</sup> Pinto, *Chile, un caso de desarrollo frustrado*, 38.

Overdependence on raw material production, inadequate fiscal and monetary policy, built-in inertia in agriculture. In the end, a combination of economic necessity and political upheaval pushed both the Chilean state and the economy in new directions.<sup>46</sup>

This new direction turned the country towards a land-centric approach that focused on building a self-sustaining economy. It was a national development model that privileged the country's industrialization in almost every aspect, and oriented towards the domestic market through state promotion.<sup>47</sup> The main reason for this turn was simple: during the Great Depression, there were few goods to be exchanged, and most of them did not reach remote locations such as Chile. Therefore, in the absence of these products, the government decided to foster internal production. However, instead of promoting a robust private sector, this initiative ended creating a massive, and rather inefficient, public sector. And when the world economy recovered, instead of adapting again to the external markets, the government-imposed tariffs on imported manufactured products, making the country less competitive in the international arena. Because of economic stagnation, politics became unstable.

Regardless of this stagnation and the general turn to land- rather than sea-centric policy, there were still political initiatives reflecting to some degree the government's understanding of how decisive the sea was for the country's development.

Chile acquired two *Dreadnoughts* from the British in 1910, one of the most advanced battleships of their time, equipped with 14-inch guns, the largest caliber in the Americas, during a period of economic decline.<sup>48</sup> Afterward, the approval of the so-called *Leyes*

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<sup>46</sup> Collier and Slater, *A History of Chile*, 202-03.

<sup>47</sup> Gabriel Palma, "Chile 1914-1935: de Economía Exportadora a Sustitutiva de Importaciones," *Estudios Cieplan* N°12, (1984), 61-68.

<sup>48</sup> Gerald Wood, "El Acorazado Almirante Latorre", *Revista de Marina*, N°3, (1988), 4.

*Crucero* provided some stable financing to the armed forces during a period of political unrest.<sup>49</sup> These laws were passed in response to an Argentinian armaments program. In a way, these laws resemble the same political decision that centuries ago, Themistocles argued for using the revenues of the silver mines at Argentum for investing in security. The so-called *Leyes Reservadas del Cobre*<sup>50</sup>, were the political answer to secure acquisition of military assets even through difficult political times.<sup>51</sup> The new laws applied a 10 percent tax on the revenues of the copper industry, the main source of the Treasury's incomes, transferring them to a fund exclusively for the acquisition and modernization initially of the Fleet, and later of the Army and Air Force.<sup>52</sup> The political decision to use revenues from the nation's most important source of income, copper, shows how deeply rooted the necessity to defend the country was, particularly its commerce, after the destruction of the fiscal warehouses.<sup>53</sup>

Ministers also began to expand the country's influence over new territories, such as Antarctica. Chile's approach was initially commercial. According to the Vatican's decree of the fifteenth century, the Spanish dominion of the American continent extended to the South Pole.<sup>54</sup> Consequently, after the *Uti Posidetis* act of 1810, the government considered all the land to the South as Chilean territory. But in reality, except for the Magellan Strait or the Drake Passage, there was no real occupation of the area. However, the region started to gain

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<sup>49</sup> The Cruiser's law originally passed to have permanent resources to finance the acquisition of new warships. The origins of the laws were the understanding that a Navy could not be raised only in times of crisis, a lesson learned after the war with Spain in 1866.

<sup>50</sup> The Copper laws would replace the cruiser's law.

<sup>51</sup> Rodolfo Codina, *Ley Reservada del Cobre: Conflicto e interés a nivel Institucional*, Academia de Guerra Naval, 12 de octubre de 2016.

<sup>52</sup> Ministerio de Defensa Nacional, "Leyes Reservadas del Cobre"; <https://www.defensa.cl/temas-de-contenido/ley-reservada-del-cobre/>

<sup>53</sup> Gerald Wood, "El Acorazado Almirante Latorre", 5.

<sup>54</sup> Pablo Mancilla González, "Antecedentes Históricos sobre el Territorio Antártico Chileno conocidos hacia la década de 1950." *Centro de Estudios Hemisféricos y Polares, Volumen 2 N°3* (Tercer Trimestre 2011), 115-128. [www.hemisfericosypolares.cl](http://www.hemisfericosypolares.cl)



importance during the whale hunting era, and the government started to provide special decrees to regulate the activity. In 1892, the government issued a decree regulating fishing and hunting in the southern seas; in 1902, Pedro Benavides, a whaler, was granted the concession of the Diego Ramírez Islands, at the very end of the continent; in 1906 the Magellan Whaling Society was established to hunt seas lions, seals and whales in the Antarctic Peninsula, the latter described by the French scientist Jean Baptiste-Étienne-Auguste Charcot in his book "Le Pourquoi-Pas? dans l'Antarctique", published in 1910, as "the best-assembled of all the companies that carry out their activities in Antarctica."<sup>55</sup> This economic activity supported Punta Arenas, the southernmost Chilean city, that flourished during the eighteenth and early nineteenth century as a logistic station of the ships that crossed between the Atlantic and the Pacific.

Chile's position in the American continent made it the world's closest country to it, thus providing a frequent salvage role for those expeditions and ships that operated in the area. Perhaps the most well-known action was the salvage of Shackleton's *Endurance* crew by a Chilean Navy auxiliary vessel, the *Yelcho*, in 1916. The latter, although extremely challenging, being performed in the middle of the winter season, is described in the Navy archives as one of the many Navy's salvage operations in the southern part of the continent and Antarctica.<sup>56</sup>

The increase of tensions due to sovereignty claims from Argentina and the U.K. and the necessity to secure the resources that Antarctica provided, encouraged the government to establish, in 1940, the Chilean Antarctic Territory,<sup>57</sup> a cone between the meridians 53° and

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<sup>55</sup> Jean Baptiste Charcot, *Le Pourquoi-Pas? dans l'Antarctique* (Paris: 1910).

<sup>56</sup> Ministerio de Guerra y Marina, *Memoria del Ministro de Estado al Congreso Nacional*, 1916, 36, 37.

<sup>57</sup> The *Territorio Chileno Antártico* was established by Ministry of Foreign Relations decree N°1747.

90° that exceeded in 1.6 times the mainland.<sup>58</sup> In 1948, President Gabriel González became the first President in the world to visit the continent. As the geographical chapter will discuss, there was a coincidence between the creation of this territory and the idea of establishing a 200 nautical miles Economic Exclusive Zone (EEZ).

The Declaration of Santiago, signed on August 18, 1952, by Chile, Equator and Perú, claimed to exercise protection and control on the seas adjacent to their coasts to 200 nautical miles from the shore. The adopted distance was chosen as corresponding to the outer limit of the Humboldt Current, which has been referred to as the principal cause of the sea's richness.<sup>59</sup>

Admiral Jorge Martinez Busch, a former Commander-in-Chief of the Navy, proposed a concept called the Presential Sea, perhaps better translated as “The Sea in which we are present.”<sup>60</sup> The thesis was raised to respond to the problems generated with the management and extraction of seasonal fishing stocks located at the EEZ and International Waters borders. This concept, encompassing 7,709,000 square miles of international waters, passed as a national law 1991. Interestingly, the law defines the physical boundaries of these concepts but does not specify its purpose.<sup>61</sup> Francisco Orrego Vicuña, a Chilean lawyer and academic with several publications regarding the Law of the Seas, defined it as:

[First], the participation in and surveillance of the activities undertaken by other states in the high seas’ areas of particular interest for the coastal state. [Second], it

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<sup>58</sup> Miguel A. Vergara, “La Antártica: Una Visión Marítima” *Revista Mar, Liga Marítima de Chile*, (2018), 12.

<sup>59</sup> L. D. M. Nelson, “The Patrimonial Sea,” *International and Comparative Law Quarterly* 22, no. 4 (October 1973), 670.

<sup>60</sup> Jane Gilliland Dalton, “The Chilean Mar Presencial: A Harmless Concept or a Dangerous Precedent,” *International Journal of Marine and Coastal Law* 8, N°3 (August 1993), 397.

<sup>61</sup> Ministerio de Economía, Fomento y Reconstrucción, Ley 19.080 de General de pesca y acuicultura, septiembre 6, 1991. <https://www.leychile.cl/N?i=30447&f=1991-09-06&p=>

encourages the coastal state to undertake economic activities in the high seas to promote national economic development and to ensure that other activities there are conducted in such a way as to avoid direct or indirect harmful effects upon this development. Third, it is related to a broad view of national security, which is understood not in a strictly military sense but in terms of protection of the national interest, including the economic dimension mentioned above, with particular reference to the Exclusive Economic Zone and the territorial sea.<sup>62</sup>

The conception of the Economic Exclusive Zone in 1947 and the incorporation of the Presential Sea in 1991, show how the government understood the importance of the sea as an economic resource to the country, and consequently took “bold and unprecedented actions beginning in 1947, [when] Chile and other nations asserted a national interest over areas theretofore held not to be subject to national jurisdiction.”<sup>63</sup>

### **The military regime and democratic governments economic approach**

A military government, led by General Augusto Pinochet, took control of the country in 1973. Considering that one of the main reasons for this intervention was the detrimental effects of the nationalization process to the economy, Pinochet and his ministers focused on a deep economic restructuring. From 1978, they shifted from "the inward-looking period" towards an open and competitive economy, strictly following Professor Milton Freedman's economic liberal ideas. This policy shift resulted in the bankruptcy of nearly 80 percent of the national business and an unemployment rate higher than 20 percent.<sup>64</sup> The government privatized

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<sup>62</sup> Francisco Orrego Vicuna, "Toward an Effective Management of High Seas Fisheries and the Settlement of the Pending Issues of the Law of the Sea," *Ocean Development and International Law* 24, N°1 (1993), 87-88.

<sup>63</sup> Dalton, "The Chilean Mar Presencial: A Harmless Concept or a Dangerous Precedent," 417.

<sup>64</sup> Collier and Slater, *A History of Chile*, 366-70.

most of the state industries, except for CODELCO, the largest copper mining company in the country. Industries that handled vital elements of trade, such as harbors, became private business. However, after a couple of years, this radical shift began to show benefits. International trade was again at the center of the government's political policy to achieve one of the national objectives, social prosperity. As unemployment decreased, new competitive business replaced the stated-owned ones.

It is worth noting that such a dramatic change was perhaps only possible due to the centralized and officially unopposed type of government, considering that there was no Congress. These changes required a heavily centralized decision-making process and the collaboration of a private sector willing to invest money in a healthy, competitive financial and economic environment.

Also, the military government relied on a rather small private sector to perform these changes through a public-private alliance. A new small economic private elite emerged from this period. From 1991, President's Patricio Aylwin new democratic government continued with similar economic policies, focusing on maritime trade, allowing the country to achieve the highest GDP per capita in Latin America.<sup>65</sup>

Today, the government has widened its approach to the sea, not only by its economic significance but pushing for marine conservation policies. In 2018, the President signed the second Oceanic Policy (the previous version was from 1977) seeking to face in a coordinated way the enormous challenge in ocean matters with a long-term perspective. The document highlights the importance of this policy for an oceanic country such as Chile, describing the context and legal regulations associated with the sea. It aspires to have a "healthy" ocean in

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<sup>65</sup> "GDP per Capita in Latin America," World Bank, last updated 2018, <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=ZJ-CL>

terms of protection and conservation; "safe" for activities carried out therein; "formative" as a natural laboratory; "inspiring" from a cultural perspective; "predictable" about the natural phenomena that affect it. The Ministry of Foreign Affairs led the document's creation, but it was integrated with Defence, Economy, Environment, and the Navy. Shortly after, in 2019, the Ministry of Foreign Affairs published the country's new strategy *Mares de Chile, Visión 2040*,<sup>66</sup> depicting the new holistic approach towards the maritime domain. The document recognizes the condition of Chile as a Maritime Nation rather than a maritime power.

*Mares de Chile, Visión 2040* identifies four pillars for this new relationship: a healthy ocean, a sustainable ocean, a secure ocean, and an ocean under a governance system. However, these strategies went beyond words: by 2016, the government had declared more than 43 percent of the country's EEZ as protected areas and the Environmental Ministry promulgated a number of regulations aimed at securing the sea for future generations. The active role of the Foreign Affairs ministry in maritime affairs has an explanation. As the leading service for promoting free trade, the Foreign Affairs ministry understands the importance of the ocean's economic and social development in a very comprehensive way, as it will be discussed in the economic chapter.

## Comments

The political approach to the maritime domain has been shifting back and forth during the nation's relatively short history. Beginning with a land-centered period during the Spanish rule, when the country was mainly an agrarian society, there was limited maritime commerce

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<sup>66</sup> "Mares de Chile, Visión 2040," Ministerio de Relaciones Exteriores, last updated May 2020, [https://minrel.gob.cl/minrel/site/artic/20200124/asocfile/20200124155321/mares\\_de\\_chile\\_vision\\_2040.pdf](https://minrel.gob.cl/minrel/site/artic/20200124/asocfile/20200124155321/mares_de_chile_vision_2040.pdf)

and most of it was reserved exclusively for Spanish ships. During this period, there was no real incentive to use the maritime domain to develop the country.

After Independence, General Bernardo O'Higgins, President Manuel Montt, and Minister Diego Portales understood that international trade was the most powerful engine to improve the nation's welfare. They transformed the state by creating a new elite in the country: traders in Valparaiso, the main port, instead of Santiago, the capital. The change was not made without opposition. O'Higgins ended up exiled, and Portales assassinated. However, their vision outlived them, and the country flourished during the nineteenth century as one of the most prosperous nations in the South Pacific. The founding fathers had an integral view on the maritime concept, not only favoring trade but also encouraging the growth of institutions such as the Navy and the Merchant Marine.

The problem with this model turned out to be economical. Trade was based on exporting commodities, such as nitrate, copper, or grains, rather than manufactured products. The revenues then depended on international market prices, which turn out to be beneficial for long periods, but not enough to support the economy during periods of international crisis; in other words, there was no 'added value' to trade. But there were reasons for this: the short period between independence and the economic boom did not permit an integral development of society, such as the creation of the industry, specialized labor, and a robust financial system. To get around this issue, the government relied on foreign migration from Europe, who came attracted by the possibilities that Chile offered. These foreigners created the new industrial elite that, although it helped improve the nation's economy, was not enough to transform the society into a more commercial one completely. During the nineteenth century, most of the population remained agricultural laborers or miners in the northern part of the country.

The effect of relying on a commodities export model during an international crisis was massive unemployment. Liberal governments, recognizing these problems, tried to transform the society, and they sought to industrialize the country. Still, they were not able to make the transformations in time, and when the global recession hit the country, after the First World War, the country was still heavily reliant on the export of commodities. The new political system imposed an inward-looking period that reduced international trade, and thus the sea began to be seen again as a barrier rather than a highway. In doing so, they turned the country back to what has been their most successful mean of flourishing, the real concept of trade. Instead of giving more political power to the mercantile classes, they expanded the government, creating inefficient industries oriented to the internal market and turning the population away from the sea.

However, during this inward-looking period, there were interesting initiatives to maintain the sea as an important (but not vital) element of the country. The building of a large Navy relative to the size of the country, the creation of laws that secured maritime resources for the country, and the annexation of Easter Island and Antarctica as elements of future incomes all reflect a notion about the importance of the sea to the nation.

From 1982 on, the government reopened the markets again for international trade, which ended up creating a vast network of free-trade agreements. The government understood that exploiting the maritime domain would be essential for accessing new markets to keep the economy running. The results are seen today; although still heavily dependent on the export of commodities, the country has managed a system to distribute the benefits of this trade in a better way, helping to build one of the largest middle classes in the region with the highest GDP per capita.



Perhaps from a political perspective, the Chilean approach is somewhat limited compared to other maritime power examples, such as Britain. Nevertheless, during the relatively short history of the country, a wide range of political governments, liberals, conservatives, authoritarian dictatorships, etc., had deliberately set the conditions for the maritime domain to improve the country's well-being. And this raises an interesting question. It seems that the Chilean case challenges Andrew Lambert's argument regarding to the necessity of having an inclusive type of government for developing a maritime power.<sup>67</sup> The Portales and Pinochet governments, which set the bases for the two most expansive maritime cycles, were definitely not products of large debates or opinions of the majority as Lambert argues, but quite the opposite. Portales was a conservative, more attuned with antidemocratic ideals, while the Pinochet era was an autocracy, and neither government proposed land-centric policies.

Finally, there is truth in the argument that Chile is today maritime nation rather than a power, but it has been one, at least during certain periods. Evidence supports that through most of its history, different types of governments have made significant political efforts to transform the country into a maritime power and, in time, acquire a better understanding of the benefits of achieving this condition.

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<sup>67</sup> Lambert, *Seapowers States*, 4-5.

## **Chapter 2: The Geographical Factor**

"Chile is a land of ocean. In other words, a country that because of its structure and geographical position, has no better objective, no better wealth, no better destination and - even more so - no other salvation than the sea. From the sea was born; from the sea its aborigines fed themselves; by the sea its conquest was consolidated; at the sea its independence was consolidated; from the sea it must extract its sustenance; without the sea, there is no point in trading..."

Benjamín Subercaseaux<sup>68</sup>

Benjamin Subercaseaux, a prolific Chilean writer of the early 20<sup>th</sup> Century, believed that the country was a maritime power because of its unique geography, which created a special relationship with the sea. He was not alone in his thoughts, many fellow Chileans including of course the Navy, considers that the country, if not a maritime power, has at least a very special connection with the sea;<sup>69</sup> after all, a glance at any chart will suggest to any reader that the country is almost falling into the Pacific. Chile, not being an island, is often described as a geopolitical one by both, historians and strategists. Its geography imposes isolation; to the north, two of the driest deserts in the world, Tarapacá, and Atacama, enforce a natural border with Perú. To the east the Andes, the highest mountain range in the world excluding the tallest summits of the Himalayas, acts as a natural border with Bolivia and Argentina. To the south, the country's geography is dislocated by fjords and islands, offering no physical

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<sup>68</sup> Benjamín Subercaseaux, *Chile, Tierra de Océano* (Santiago: Ediciones Ercilla, 1946), 13.

<sup>69</sup> Chilean Navy, *Horizonte en el Pacífico. Visión oceánica de la Armada de Chile* (Valparaíso: Imprenta de la Armada, 2019), 6.

continuity, except by the sea, relying on Argentinian roads to connect the country. And finally, to the west, the Pacific Ocean, still seen as a barrier for an important number of the population.

But is this semi-insular geopolitical condition enough to claim that the country's essential geographic condition is maritime? This chapter intends to demonstrate that the answer to this question is, as expected, not simple. It will suggest that when explaining geography, it is necessary to connect it with other factors, such as political, strategic, and social issues, to understand its real impact. It will also propose that the condition of maritime power is not static, and that the country has coexisted, and even more so, succeeded, as both maritime and continental.

### **Geography as a factor**

Several maritime scholars had proposed how important geography is to the effectiveness of seapower. A.T. Mahan argued that to build what he coined as Sea Power, geography, the physical conformation, and the extent of the territory were central elements in his strategic theory.<sup>70</sup> But it seems that geography itself is not enough to state how maritime a country is; New Zealand, for example, reminds us that even islands can behave in a less maritime way than expected,<sup>71</sup> and if so, then it matters when referring to Chile as a maritime power. Only when analyzing geography together with other elements, such as the type of society, government, or even the position of the country in relation to the centers of power, or in other

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<sup>70</sup> Alfred T. Mahan, *The Influence of Sea Power upon History 1660-1783* (London: Sampson, Low Marston & Co., 1982), 31-36.

<sup>71</sup> Geoffrey Till, *Seapower, A Guide to the Twenty-First Century* (New York: Routledge, 2018), 116.

words, geopolitics or geostrategy,<sup>72</sup> can one properly analyze how geography impacts the country's behavior. Also, because human intervention can change societies, centers of powers, and even geography, the geographical condition might change over time. Chile for example suffered its most significant trade blow in history when the inauguration of the Panama Canal, isolated the country from the international trade routes.<sup>73</sup> Chile has also expanded its borders, annexing a large portion of its northern territory with its rich mineral deposits, and also dominating strategic positions allowing control of strategic trading routes. Geography also shaped parts of the society, such as the *Chilotes*, in the middle south of the country, who adapted their way of life to cope with the archipelagic characteristic of the region. It also worked on the other way, were a new breed of traders along with the government, transformed Valparaíso from a relatively irrelevant port into the main trading station of the South Pacific, taking over Callao, which was in a better geographical position.

### **Society and geography**

When comparing maps of colonial Chile to the current country, we can find two entirely different territories. The former was shorter, with ill-defined borders and at the far end of the world, barely noticed compared to its larger and wealthier neighbors, the *Virreinato de la Plata*, today's Argentina, and the *Virreinato del Perú*. Today's Chile is physically different; resulting from an expansionist process into three out of the four cardinal points; North, West, and South. How and why the country expanded its borders reveals the history of two identities within the country: a continental and a maritime one; And while some might

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<sup>72</sup> Jakub J. Grygiel, *Great Powers and Geopolitical Change* (Maryland: The John Hopkins University Press, 2011), 21-24.

<sup>73</sup> Mario Barros Van Buren, *Historia Diplomática de Chile 1541-1938* (Santiago: Editorial Andrés Bello, 1970), 675.

consider these two approaches as mutually exclusive, at least in Chile, they have coexisted and contributed to build today's nation.

Colonial Chile was mostly an agricultural society;<sup>74</sup> as we will explain in Chapter 3, most of the Spanish settlers were soldiers and farmers rather than sailors. They conquered the country mainly by land, marching from the more developed and wealthier Viceroyalty of Perú. As they crossed from the northern deserts, they established colonies in the fertile central valley, founding cities such as Santiago and Valdivia. Most of them were located relatively far from the coast, constrained between the coastal mountain range and the Andes. They developed some coastal cities too, but mostly as satellites of the larger landlocked ones, to serve as trading stations connecting the wealth of the interior to the rest of the country and, eventually, to Perú. The country's rich central valley produced large amounts of wheat and barley, more than the country needed, creating a substantial surplus, often seasoned from Spain, that allowed trade with the motherland.<sup>75</sup> Perhaps because of the agricultural background of these settlers, who preferred the central valley for security concerns, such as attacks from the *Mapuches*, their southern border indigenous neighbors who proved to be exceedingly difficult to dominate,<sup>76</sup> or to the British and Dutch coastal raids,<sup>77</sup> most of the cities were military forts that preserved them from pillaging or destruction, requiring a small standing force in the southern border to keep the *Mapuches* under control.<sup>78</sup> The land provided more than this small society needed, resulting in a relatively prosperous trade of grains and food to Lima. In return, they imported finished products, such as clothing, furniture, and other

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<sup>74</sup> Diego Barros Arana, *Historia General de Chile*, Tomo II (Santiago: Editorial Universitaria, 2000), 371.

<sup>75</sup> Simon Collier and William Slater, *A History of Chile, 1808-2002* (Cambridge: Cambridge University Press, 2004), 16, 43 and 82.

<sup>76</sup> Barros Arana, *Historia de Chile*, Tomo II, 333-340.

<sup>77</sup> *Ibid.*, 371.

<sup>78</sup> Collier and Slater, *A History of Chile*, 5.

luxuries. Although there was an opportunity to encourage a small maritime society, the Spanish Crown saw this activity of strategic importance to maintain its monopoly on trade, allowing only its appointees to perform it.<sup>79</sup>

But being a country that extends for more than 39° of latitude, with several types of weather and coastal configuration, it can be expected that there is not only one societal approach to cope with geography. For example, an exemption to the extended continental behavior was the Spanish stronghold of Chiloé, the southernmost enclave of the Empire on the South Pacific coast of América. With its unique geography, this archipelagic region is the last point with continental continuity west of the Andes; controlling the access to the fjords that connect the mainland with the Strait of Magellan. The colony, founded in 1557, evolved into a maritime culture forced by the nature of geography and the existing resources.<sup>80</sup> The *Chilotes* were challenged by impenetrable forests and harsh weather. At the same time, they discovered the richness of their seas, transforming them into a flourishing maritime society. The archipelago's only connectivity with the continent and the Empire was by sea, creating a society notably different from the rest of the country. This condition has not changed despite the irruption of new technologies. Chiloé remains until this day as one of the most vigorous maritime societies in the country, providing, since the early days, skilled sailors to man the newly born national fleet.

But as the *Chilotes* transformed their culture to cope with the geographical conditions, there was also an inverse process, where a relatively weak trading post was actively transformed by the government and the private sector into a flourishing maritime society.

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<sup>79</sup> Diego Barros Arana, *Historia General de Chile*, Tomo IV (Santiago: Editorial Universitaria, 2000), 196, 201.

<sup>80</sup> Diego Barros Arana, *Historia General de Chile*, Tomo II (Santiago: Editorial Universitaria, 2000), 131.

Valparaiso became for a while the main trading center and one of the largest harbors in the Eastern Pacific.<sup>81</sup> Founded in 1544 during the Pedro de Valdivia campaign, it was envisioned as the supply station of Santiago, the landlocked capital city. The city, located at the center of the country, was not the best-placed harbor in the South Pacific, compared to Callao, in Perú. It started increasing its importance after the Spanish Crown authorized the opening of the Cape Horn route in 1740, and with Charles III's reform to improve the Crown's incomes by widening imperial trade,<sup>82</sup> attracting European immigrants, who would later control the nation's foreign trade.<sup>83</sup>

In the early 1830s, Minister Portales was determined to transform Chile into the dominating power of the South Pacific, and Valparaiso was at the heart of his initiative. To increase the country's treasury and avoid smuggling, an activity inherited since colonial times, he moved the customs services from Santiago to Valparaiso. During conflicts with neighbors, the city became the logistic base for the campaign in support of the liberation of Perú, under Lord Cochrane (1818), the war against the *Confederación Perú-Boliviana*, and the War of the Pacific (1879-81). Valparaiso became part of a new triangular trade, along with Australasia and California. For years it was considered the general warehouse of the southern seas; port development accelerated as more merchant ships arrived from far and wide. Also, policies such as the country's monopoly on cabotage - a policy of restricting the transport of national goods to Chilean flagged ships - and the creation of tax-free warehouses reinforce its strategic position, generating the conditions for trade and, consequently, the

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<sup>81</sup> Juan Ricardo Couyoumdjian, *El alto comercio de Valparaíso y las grandes casas extranjeras, 1880-1930. Una aproximación* (Santiago: Universidad Católica de Chile, 2000), 64.

<sup>82</sup> Diego Barros Arana, *Historia General de Chile*, Tomo V (Santiago: Editorial Universitaria, 2000), 197.

<sup>83</sup> Couyoumdjian, *El alto comercio de Valparaíso*, 66.

arrival of large groups of national and international entrepreneurs, transforming Valparaíso into an important trading station during the 19<sup>th</sup> Century.<sup>84</sup>

Although Valparaíso was never larger than Santiago, the country's capital, it was more progressive, creating tax-free warehouses, the first nation's stock exchange, and a cosmopolitan society, with several nations sitting on its hills performing their trading business. Valparaíso remained a wealthy and multicultural maritime society. The once flourishing city saw a slow decay after the opening of the Panama Canal, which marginalized the southern route through the Strait of Magellan to the rest of the world, while Europe preferred the Suez route to connect with the Asia Pacific. But before its slow decline, Valparaíso, shortly after the country's Independence, became the central hub from where the expansion of the country began.

### **A century of consolidation**

When analyzing the types of expansion or level of influence that maritime and continental nations have, we see two quite different approaches. While the previous, in terms of strategic choice, prefer to develop a stronghold for trade or control chokepoints, the latter tends to secure its borders by building massive armies or conquering their neighbor.<sup>85</sup> In the case of Chile, it is possible to find these two approaches, as we will shortly discuss.

The period that followed independence showed a behavioral change in the way the country's leadership dealt with geopolitics, and for good reasons. The country could no longer count on the Crown's assistance, and maritime trade became a centerpiece in the country's

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<sup>84</sup> Valeria Maino and Francisca Zañartu, “Desarrollo comercial del puerto de Valparaíso (1828-1837) influencia de su localización geográfica”, *Revista de Marina* N°1 (1984), 2.

<sup>85</sup> Grygiel, *Great Powers*, 91.



economy. During the 19<sup>th</sup> Century, Chile expanded its borders first to the south, then to the east, and finally to the north. It is worth noting that the first two were not performed in a linear way; instead, they seek to position the country in a more favorable position with respect to Sea Lanes of Communications (SLOC) by controlling specific enclaves such as the Strait of Magellan and Rapa Nui (Easter Island).

Chile, along with the Philippines, was the most distant Spanish colony, not just in geographical terms; the Spanish centralized administrative system and the Crown's monopoly on the colony trade left Chile in a very isolated position.<sup>86</sup> So, when Bernardo O'Higgins became the nation's first independent ruler, he envisioned that dominating the Strait of Magellan, a rising trading route, could drastically improve the national economy. The country's geostrategic position could be exploited by controlling this bi-oceanic passage, in addition to offering attractive economic incentives for international trade. Even after his exile to Perú, O'Higgins wrote to President Manuel Bulnes, as early as 1836, advising him on the importance of developing navigation and colonization projects to dominate the Strait. In 1842 he wrote no less than seven letters to his Minister of the Interior, sending the complete documentation containing his studies and projects.<sup>87</sup> Even while the country was struggling with internal political instability, Bulnes understood the importance of O'Higgins' vision and approved a plan that allowed the occupation of the Strait. As we explained before, south from Chiloé there was no physical continuity with the Strait. As a result, any effort to control the Strait of Magellan had to be made by sea.

The government assigned the task to the navy in 1843. Commander John Williams and twenty-two crew members on board the schooner *Ancud*, built in Chiloé, took possession of

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<sup>86</sup> Diego Barros Arana, *Historia General de Chile*, Tomo IV (Santiago: Editorial Universitaria, 2000), 194.

<sup>87</sup> Mateo Martinic, *Breve Historia de Magallanes* (Punta Arenas: La Prensa Austral Limitada, 2002), 45.

the Strait, establishing *Fuerte Bulnes*, tasked with the sole purpose of controlling the passage. Although most of the Spanish colonies accepted the doctrine of *Uti Possidetis Juris* of 1810, which gave Chile territorial dominion up to Antarctica,<sup>88</sup> an interpretation that Argentina would later challenge,<sup>89</sup> it seems that society and government saw those territories as distant lands rather than part of the country. The city of Punta Arenas for example, founded after the annexation, was designated as a colony rather than a city, with a governor instead of a mayor, suggesting perhaps how distant and unexplored Chileans saw this area.

Punta Arenas would grow to a successful role as a commerce station. The city was the center of the fishing and whaling industry of the South Pacific and Atlantic,<sup>90</sup> and an important coaling station during the age of steam, for the passage between Valparaiso and Liverpool, a route established by the British entrepreneurs in the country, fostering trade between South America and England. The city's importance declined along with the importance of the southern passage, shortly after the opening of the Panama Canal in 1915 heavily affected the country's strategic position. The inauguration reshaped the maritime routes between Chile and Europe and the Atlantic and Pacific. It was no longer necessary to make the long journey through the fiords and treacherous winds of the southernmost part of the country. The new canal was so much better than the Strait that even Chile took advantage of this new route, eventually becoming its third-largest user after the U.S. and China.<sup>91</sup>

Punta Arenas also served as the bridge between Chile and Antarctica. While it is not the intention of this study to prove the validity of the country's rights in the continent, some

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<sup>88</sup> William F. Sater, *Andean Tragedy, Fighting the War of the Pacific, 1879-1884* (Lincoln: University of Nebraska Press, 2007), 16.

<sup>89</sup> Barros Van Buren, *Historia Diplomática de Chile*, 163.

<sup>90</sup> Mateo Martinic, "Actividad Lobera y Ballenera La Industria Ballenera en litorales y Aguas de Magallanes y la Antártica." *Revista de Estudios del Pacífico* no.7 (1973): 89-106.

<sup>91</sup> Armada de Chile, *Horizonte en el Pacífico*, 17.

factors are related to geography worth the analysis. Chile is the closest country to Antarctica, at three days sailing from Punta Arenas, which today is the most industrial city in South Pacific Cone; the government is promoting itself as the gate to the Antarctic, building a logistic base for the expeditions that depart to the area. For Chile, one of the most valuable aspects of Antarctica is not just the economic activities that might be performed in the future, but the fact that the passage remains as an open common. Consequently, any possible future territorial recognition would undoubtedly generate a dispute in controlling the access of the Drake Passage. While today the different disputes on this area remain frozen due to the Antarctic Treaty, nothing prevents that due to climate change, resource availability, and human displacement, the Antarctica, and its surrounding waters, would become a contested area, as other maritime areas of the world had become, despite international maritime law or treaties.

The influence over Antarctica and in the water spaces between the latter and Cape Horn, remains as one of the possible sources of border tension with Argentina, who, as earlier explained, had a different view of the *uti possidetis*. Their interpretation is that the territories east of the Andes, rather than what was previously known as *Virreynato de La Plata*, were all subject to Argentinian administration. The tension peaked in 1878, while Chile was at the brink of a war against Perú and Bolivia. Avoiding a war against three countries, Chile negotiated a settlement with Argentina. Its nature partially reflects the importance that the government gave to the control of choke points rather than a vast piece of land. Chile consciously ceded its rights on most of the territories East of the Andes, which were seen of

little economic value, but negotiate to keep control of the Strait of Magellan,<sup>92</sup> a treaty that would be sealed years later with the “*Abrazo del Estrecho*” were both nations’ presidents would ratify, at least for a while, the agreement. Some authors have seen this policy as the incipient geopolitical concept, at least from the Argentinean side of “Argentina in the Atlantic and Chile in the Pacific,” a way of understanding geopolitics that would supposedly avoid future frictions. However, it did not; Chile and Argentina had been involved in different continuous tensions related to the projection to Antarctica, peaking at the quasi-war of 1978, after Argentina disregard the rule of a previously agreed British arbitration, performed by the International Court of Justice. The most recent source of tension is the Argentinian claim of an extended continental platform that Chile considers a violation of international treaties. The Chilean government took the claim so seriously that perhaps for the first time, it dedicated a complete chapter in the newly released 2020 Defense Policy to address the issue.<sup>93</sup>

Another territorial annexation that reflects the national maritime thinking at its peak was the incorporation of Easter Island or Rapa Nui in 1888. Chilean economic and commercial expansion, backed by what was considered a powerful navy, fostered the territorial expansion towards the Pacific. The island, located at nearly 3700 km from Valparaíso, was thought as an improvement to the country's position in relation to SLOC, and to act as a forward base that to prevent potential invasions that might come from the sea.<sup>94</sup> Policarpo Toro, the navy captain who ended up negotiating the annexation with Rapanui King Atamu a te Quena, wrote a voyage report in 1886, arguing that the island could

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<sup>92</sup> “Tratado de límites de 1881 entre la República de Chile y la República Argentina,” [http://www.historia.uchile.cl/CDA/fh\\_article/0,1389,SCID%253D15651%2526ISID%253D563%2526PRT%253D15646%2526JNID%253D12,00.html](http://www.historia.uchile.cl/CDA/fh_article/0,1389,SCID%253D15651%2526ISID%253D563%2526PRT%253D15646%2526JNID%253D12,00.html)

<sup>93</sup> Ministerio de Defensa Nacional, *Política de Defensa Nacional de Chile 2020*, (Santiago: 2020), 27.

<sup>94</sup> Douglas Porteous, "The Annexation of Eastern Island: Geopolitics and Environmental Perception." *NS, NorthSouth* 6, no. 11 (1981), 70.

become an important support station to the traffic between Panama and Australasia, after the opening of the new canal. In the same year, a Chilean newspaper article encouraged the government of taking possession of the island, stating that:

The island's position at the point where the marine circles that determine three lines of navigation called to be of immense importance, such as Australia to Panama, from New Zealand to Callao, and California by Cape Horn, make this island the most suitable place for large coal and food deposits to provide the sail and steam vessels used by the aforementioned lines, which are now forced to refuel by heading off course, wasting time and distance to complete the fuel needed for these long sailings.<sup>95</sup>

Rapa Nui was not a spontaneous annexation as argued by some authors.<sup>96</sup> On the contrary, it was a strategic choice for a country looking to the South Pacific as an integral part of its area of vital strategic and commercial interests.<sup>97</sup> Since 1864 there were public discussions to incorporate Rapa Nui to Chile, beginning with a series of scientific expeditions supported by the Navy. The islanders had already requested its annexation to France, in 1881,<sup>98</sup> something that worried the Chilean government who did not want a European or other American power in the South Pacific.

Since Portales, many Chileans envisioned the country as the hegemonic power of the South Pacific; consequently, Rapa Nui, which remained independent, was an open call for any foreign power who wanted to have a stronghold in the South Pacific. By 1880 the Chilean Fleet, which had almost unopposed power in the region after defeating the Peruvian navy in

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<sup>95</sup> "Diario la Patria", Santiago de Chile, May 25, 1868.

<sup>96</sup> Collier and Slater, *A History of Chile*, xix.

<sup>97</sup> William F. Sater, *Chile and the United States: Empires in Conflict* (Athens: The University of Georgia Press, 1990), 53.

<sup>98</sup> Gustavo Jordan, "Pasado y Presente, la contribución de la Armada al desarrollo de Rapa Nui," *Revista de Marina*, N°4, (2006), 320.

the War of the Pacific, allowed the country to project power elsewhere. For example, when the government sent a ship to Panamá, then part of Colombia, to evict U.S. troops that had occupied Colon, forcing them to withdraw.<sup>99</sup> Confident in the Navy's capabilities and unwilling to admit any other power threatening its nearly hegemonic domination of the area, the government decided that the island should be annexed.

After several discussions with the island inhabitants, the government and the island's King agreed to transfer its jurisdiction to Chile in 1888. It worth noting that of the original population of the island, nearly 4000 in 1860,<sup>100</sup> only 101 were still living there by 1892.<sup>101</sup> Most of them had been taken as slaves by Perú between 1862 and 1863, while others emigrated to French Polynesia. Once a fertile forest in the Pacific, the island was already depleted by the Rapanui or by the foreign ships that stopped for fresh resources. Until today, the islanders depend heavily on the government to supply them.

In the end, the island did not provide the forward naval base once envisioned. The lack of natural resources to support a naval base, not having a deep water-sheltered harbor, prevented the Navy from being stationed permanently in the island, except for a small Marine garrison, to keep the island secure. From all the initial ideas in relation to the annexation of the island, only national pride that supported the 19<sup>th</sup> Century maritime Chile seemed to remain.<sup>102</sup>

Today, the island is fully incorporated into Chile, increasing its importance as a touristic site, providing a search and rescue base in the center of the South Pacific, and enlarging the

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<sup>99</sup> Sater, *Chile and the United States*, 52.

<sup>100</sup> "Primeras Jornadas Territoriales de Isla de Pascua", Colección Terra Nostra, (Santiago: Universidad de Santiago: 1987), 14.

<sup>101</sup> "Parte de Viaje de la Corbeta Abtao a Isla de Pascua", publicado en el diario "La República", de Santiago, número 1777, 1892.

<sup>102</sup> Porteous, "The Annexation," 67-80.

Chilean Economic Exclusive Zone (EEZ) and continental platform. The island gives to the country, along with Antarctica, its tri-continental characteristic. While it is highly improbable that Rapanui will ever be the once envisioned naval station, it provides vital support to air traffic between Chile, Polynesia, and Australasia; also, it allows the Navy to perform maritime surveillance with its maritime patrol aircraft to its almost entirely protected EEZ. From a geopolitical perspective, it gives the country projection to the Pacific Ocean, perhaps contributing to the general idea within the country's population that Chile is more related to the Asia-Pacific region than to South America itself.<sup>103</sup> The island adds to the already enormous EEZ, most of its protected, transforming it into a natural reservoir, part of the new approach that many Chileans has embraced, understanding now the sea not as a barrier, not as an endless source of fish stocks, but as a fragile environment that needs constant supervision and preservation, tasks that the Navy had assumed as its own.

But not all the country's expansion had a maritime characteristic. The War of the Pacific (1879-1884), against a coalition between Perú and Bolivia, was more a question of conquering land territories and resources than improving the country's maritime position. As already discussed, the Chilean borders during the earlier years of the country were rather vague. Because of the arid and desolated characteristic of the area, not only related to weather but also resources, neither country, Bolivia nor Chile, seriously tried to settle them. But when miners discovered first guano, and then nitrate, both governments began legal rights dispute that ended up with Chilean troops occupying the Bolivian city of Antofagasta, cutting the latter country's primary income source. The conflict, which also involved Perú, who

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<sup>103</sup> Athenalab-Ipsos, "Perceptions on Foreign Policy and National Security, Second Survey," (Santiago: 2021), 8, ESTUDIO | Segunda Encuesta de Percepciones sobre Política Exterior y Seguridad (AthenaLab-IPSOS) – AthenaLab.

previously had signed a secret defense treaty with Bolivia, ended nearly five years after, with Chilean troops occupying Lima, Perú's capital, and leaving Bolivia landlocked. An unexpected consequence of this conflict was that Chile created new land borders. The annexation of the regions of Tarapacá and Atacama limited Bolivian and with Peruvian territory and deprived them of their primary source of income. For Chile, the shift of its economic heartland from the protected central valley to the north, closer to its two previous adversaries, had a profound geopolitical impact. First, the long desert that previously acted as a defensive barrier was left behind, and consequently, the country would need a standing army to defend these new sources of income. Land borders, once ill-defined, become increasingly important. Second, in this new scenario, perhaps ceased to be as important as before, the budget, always scarce, would have to be shared more equitably between the army and the navy

Perhaps this was a turning point in the Chilean maritime adventure. Although Chileans continue to refer to the country as a geopolitical island, it seems that the War of the Pacific had the unexpected outcome of bringing back the country to more continental affairs. It can be argued that by adding 168 km of land borders with Perú, in addition to the fact that the recently annexed regions concentrated first, the world largest reserves of nitrate, then the largest reserves of copper, and today one of the largest reserves of lithium in the world, the country had at least to reevaluate if the once proposed concept of the geopolitical island is still valid. It is also worth noting that the once rather small army, that was mainly dedicated to keeping the belligerent *Mapuches* in line, and that was able to win an expeditionary war, using the Navy as the main mean of transport, logistics, and support, was now seen as inadequate to deal with the new reality. At the beginning of the 20<sup>th</sup> Century, the Army would witness its most important transformation, adopting the more continental Prussian model, a



system that hardly took the navy into account, and was more engaged in the protection of frontiers rather than the projection of power ashore, or shaping Latin American geopolitics, as it once did.

### **Today's geographical reality**

What does the actual geographic configuration of Chile mean today? From a territorial perspective, Chile is more water than land. The Chilean Exclusive Economic Zone (EEZ) is the tenth largest in the world,<sup>104</sup> and in relation to the national territory, it is almost five times larger than the mainland. The enormous significance of the sea spaces with regard to the land, encourages authors to refer to Chile as a maritime country only by its geographical nature,<sup>105</sup> a fact that, as we have seen earlier, seems to be arguable. But they do have in their favor hard figures that speak as a potential maritime country:<sup>106</sup>

- Chile's length: 4,400 km
- Average width: 180 km
- Coastline perimeter: 83,850 km
- Continental territory: 750,000 km<sup>2</sup>
- Chilean Antarctic territory: 1,200,000 km<sup>2</sup>
- Insular territories (Polynesia): 270 km<sup>2</sup>
- Economic Exclusive Zone: 3,500,000 km<sup>2</sup>
- Continental shelf: 4,600,000 km<sup>2</sup>

Another geopolitical aspect is that Chile is one of the few nations that has a presence in three continents, America, Antarctica, and Australasia. In this triangle, the Pacific is the central element in the map. Perhaps this view encouraged admiral Jorge Martinez to create

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<sup>104</sup> Armada de Chile, *Horizonte en el Pacífico*, 14.

<sup>105</sup> Ibid., 5.

<sup>106</sup> Miguel A. Vergara and Carlos Valderrama, "La Conciencia Marítima Nacional", *Revista de Marina* N°4 (2019), 56.

the concept of “Presential Sea,” discussed in Chapter 1. And it seems it is not just an academic concept; a recent survey showed the 60% of the general population and 84% of the interviewed experts considers that the defense of the maritime interest of the country was “very important,” showing almost no variation with respect to a previous survey, consolidating the maritime interest within the first five top priorities in foreign policy objectives.<sup>107</sup>

The country's position is also a vital element. Not a few politicians, geographers, and economists such as Tibor Mendé and Robert Kaplan have claimed that the country's position in relation to the world, and its unique geographical configuration was a negative element for national development. However, today, thanks to the intensive and efficient use of maritime communications routes, the countries of the Pacific Basin have integrated into a connected community, in which Chile has assumed a leading role as a nation, at least from a Latin American perspective.<sup>108</sup> Thirty-six States - including countless territories under a special regime make up a vast area that has been accumulating a concentrated demographic, technological, industrial, commercial, financial, military, and therefore political presence. This highlights the significance of Chile's relationship with the Pacific Rim States. Today, Chile is actively looking to increase its importance and participation in this area, integrating the Pacific's main international forums and organizations, where Chile is a South American pioneer.

A key element for integrating within the world's economy are ports. Even Mahan discussed their importance when analyzing the sea power of a nation, as the connecting links

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<sup>107</sup> Athenalab-Ipsos, “Perceptions on Foreign Policy and National Security, Second Survey,” (Santiago: 2021), 8.

<sup>108</sup> Athenalab-The Henry Jackson Society “Audit of Geopolitical Capability: South America,” (Santiago: 2019), Audit of geopolitical capability – AthenaLab

between land and sea. Chile performs nearly 95% of its foreign trade through maritime shipping. Consequently, Chile has more than 60 ports distributed along its coast, classified into three categories: public, private for public use, and private ports for private use. Over the past 20 years, the cargo capacity of Chilean ports has grown at an average of 5% per year.<sup>109</sup> Although they still are the most efficient maritime network within Latin America,<sup>110</sup> they are facing increasing challenges, such as climate change and more challenging environmental regulations. San Antonio, the country's largest port, conforms with Valparaíso a vital link for the national economy. In order to remain a competitive center, there are plans to transform the previous into a deep-water harbor to accommodate the world's largest container ships. But the rise of sea level and some local opposition regarding a new environmental approach are affecting the project timeline.

From an internal perspective, as Professor Geoffrey Till notes, the sea is also necessary to integrate the country's territory.<sup>111</sup> As the society of Chiloé reminds us, the country still needs to use its maritime means to maintain the country links with its archipelagic region. The islanders, especially those far from the continent, such as Rapa Nui and Juan Fernández, will continue to require state support. At the same time, they will have greater strategic value as a place from which to expand control of maritime spaces to protect the resources and contribute to the compliance of international conventions and treaties related to illegal fishing.

It is also worth to notice the geographic position of the main trading partners. In 2019 figures, Chile's main trading partner was China, with roughly 30% of total exchange, a figure

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<sup>109</sup> Guido Fuentes, "Una política oceánica para Chile, el desarrollo de puertos," *Revista de Marina* N°6 (2017), 28.

<sup>110</sup> "International LPI," World Bank, Accessed March 2, 2020, <https://lpi.worldbank.org/international/global>.

<sup>111</sup> Geoffrey Till, *Seapower, A Guide to the Twenty-First Century* (New York: Routledge, 2018), 117.

that rose after the COVID pandemic, followed by the U.S., with 17%, and the European Union, with 14% of the total trade. The total exchange with the rest of South America was 20%.<sup>112</sup> This is one of the reasons why roughly 95% of the Chilean foreign trade is transported by sea and why the Navy is so concerned about the security of the Panama Canal and the Southeast Asia region. In order to remain competitive, the supply chain of the Chilean products must be affordable and absorb the longer distances, to compete, for example, with Australia, a country that sells similar products to China, like wine, ore, copper and fruits, but is closer. For the Navy, this means securing the SLOC and the safety of the ports, to keep costs down. As we saw, when Robert Kaplan explained the Rimland thesis as applied to South America, he argued that Chile's geographic position in relation to the markets affected a country's ability to geopolitical importance or even to rise a great navy.<sup>113</sup> He didn't explain, though, that for years, Chile had the largest merchant marine fleet in the subcontinent and a capable medium size navy to defend this commerce. According to recent studies, Brazil and Chile are the only two regional powers of South America.<sup>114</sup> The previous is understandable, but Chile surpassing Argentina and Colombia is, at least, intriguing. Although there are many factors that, according to the study, influenced this ranking, the fact that Chile has leveraged its geographic position as an advantage rather than a disadvantage is one of them, and reflects, perhaps, another characteristic of maritime powers, that they have an exaggerated geopolitical weight considering for their population and size.

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<sup>112</sup> “Informe Comercial de Comercio Exterior,” Subsecretaría de Relaciones Internacionales, Gobierno de Chile, accessed May 18, 2021, <https://www.subrei.gob.cl/wp-content/uploads/2019/02/Reporte-Anual-2018.pdf>.

<sup>113</sup> Robert Kaplan, *The Revenge of Geography*, (New York: The Random House, 2013) 93-94.

<sup>114</sup> Athenalab-The Henry Jackson Society “Audit of Geopolitical Capability: South America,” (Santiago: 2019), [Audit of geopolitical capability – AthenaLab](#)

## Comments

From a geographical perspective, there are few doubts that Chile has a strong relationship with the sea. Benjamín Subercaseaux was right when he defined the country as a “land of ocean,” the ratio of 5:1 in favor of the maritime domain proves it. However, as impressive as these figures might be, we cannot define Chile as a maritime nation only because of its geography; rather, it is how its society interacts with the geography that really matters. Undoubtedly, Chilean geography has all the potential to become a maritime power from a geographical perspective, but the path chosen by its leaders is a hybrid one; the country has used both, a continental and its maritime approach, to insert itself in the global community. In fact, it seems that these two souls not only coexist, but they have complemented themselves and has improved the country's geopolitical weight, transforming the nation into the second largest geopolitical power after Brazil, despite its size, its rather small population, and its position. Chile has benefited from both by actively balancing pursuing the control of strategic positions, such as the Strait of Magellan and Rapa Nui, but also pursuing a rather continental expansion that led to the incorporation of the wealthiest northern part of the country.

One aspect that is at least debatable is the argument that the country remains a geopolitical island, and thus, its best strategy would be to favor the maritime approach over the continental one. It might have been the case before the War of the Pacific, but the consequences of the country's victory against the coalition between Bolivia and Perú certainly challenged this view. The post-war negotiations added enormous wealth to the nation, moving its heartland closer to its neighbors when the rich Tarapacá and part of the Atacama regions became part of the country; it added a previously inexistent borderline with Perú and sentenced Bolivia to be landlocked. Consequently, a standing army would be needed to defend this new wealth

and the country's new borders. Perhaps, the adoption of the Prussian army model in the early 20<sup>th</sup> Century was a consequence of this new geopolitical reality. It is also highly likely that Argentina and its maritime projection to Antarctica, although supposedly resolved during the early 20<sup>th</sup> Century, will remain to be a latent issue within both nations, who have opposed interests in the region. The land border problem, however, considering the physical environment of this archipelagic region with limited land connectivity, maritime forces will have more relevance rather than land ones.

From a commercial perspective, considering the geopolitical shift towards the Asia-Pacific region, the country, as it did once with Valparaiso, is trying to position itself as the link between the Australasia and Latin America, a process that began with the first fiber optic cable that will connect both continents, using Chile as its hub. The country, along with its history, had transformed its rather weak position in South America into an opportunity to improve its geopolitical weight by focusing on Southeast Asia and improving ports, connectivity, and laws to become the port of entry from those goods to the continent, a process that will hopefully consolidate with the incorporation of the country into the Trans-Pacific Partnership.

### **Chapter 3: The Maritime Economy**

"Almost 95 percent of our foreign trade, which accounts for more than 52 percent of our gross geographic product, is transported by sea. We also depend on energy imported by the sea (98 percent of oil and 95 percent of the gas and coal we consume)."<sup>115</sup>

Arguably, one of the most decisive factors for a country to embrace the sea is the economic benefits that this domain brings to the national well-being. After all, politicians and traders would not pursue this integration unless they foresaw a dramatic opportunity for the nation. But approaches vary. The Chilean experience has been different from that of other maritime powers such as Athens, Venice, or Britain, because of the geographical position of Chile relative to international markets, its comparatively small economic power, and, most importantly, because the country is in the process of building this relationship with the sea. The relationship has been built through a mixture of top-down and bottom-up processes, guided by political leaders whose vision prevailed, not without friction, and supported by private entrepreneurs. It is also worth noting that due to the short implementation time, the process is still far from realized. The country's social, political and economic structure was not mature enough to sustain a maritime economy in time, making it a rather sinusoidal process, with some high peaks, correlated with periods of increased world trade, such as in the nineteenth century, and the actual period of globalization.

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<sup>115</sup> Armada de Chile, *Horizonte en el Pacífico. Visión Oceánica de la Armada de Chile* (Valparaíso: Imprenta de la Armada, 2019), 5.

This chapter will explain that in the first place, the historical economic activities of the country have usually more related to land than sea. Mining and agriculture have been the pillars of the Chilean economy since its colonial times. Whether it has been the saltpeter, copper, or lithium, mining had always been a lucrative activity that had attracted foreign and national investors. But because traditional trading markets have usually been far from the country, the maritime domain has been a vital element of the Chilean economy. Second, it will explain the two attempts of the country to open to these markets, and the role that maritime industry has had in them. Both cases, the first one in the mid-nineteenth century and the second beginning at the end of the twentieth century, have common elements but different social, economic, and infrastructure constructs. Finally, the chapter will offer a brief discussion of the importance of the maritime economy for the country and whether it has the capacity to transform the country into a maritime power.

### **Chile, an agrarian and mining society**

Chile's main economic activity during its history has been largely related to the land. As we discussed in previous chapters, Spanish colonizers chose the country's central valley to settle down and began the exploitation of the land. By the end of the seventeenth century, the national economy, in charge of a few landlords, was centered between Santiago and Concepción, two landlocked cities. This rather small area, when compared to other provinces of the Spanish Crown, was fertile enough to produce food, initially for internal consumption, and after some years for export to other regions of the Spanish empire, especially Perú.

By the end of the eighteenth century, Chilean exports to Perú were, in order of significance: wheat, copper, animal fat, wine, leather, and dry meat. The imports, all of them controlled by the Crown's monopoly in Perú, were mostly manufactured products from



Europe, sugar, wool clothing, cotton, and rice.<sup>116</sup> The commercial exchange was rather simple, and there was no real relation to the sea other than transporting these products back and forth between ports, an activity administered exclusively by the Spanish Crown, who forbade trade with other nations, such as the Dutch and the British who had, since the early 1700s, been visiting the country searching for commerce.<sup>117</sup>

The wheat market was particularly important for the national economy, especially after independence. By 1850, cereals contributed to nearly 81 percent of the total revenues for exports, and between 1866-70 74 percent; before the turn of the century, it remained around two-thirds of the country's total revenues from exports.<sup>118</sup> The new markets were Australia, California and Britain,<sup>119</sup> and the exports were possible due to improvements in shipping, which reduced both tariffs and times of transportation.<sup>120</sup>

The second pillar of the economy was mining. The mining boom began with silver in the seventeenth century, followed by nitrate in the nineteenth, and copper from the twentieth to the present. It steadily became Chile's main source of income. During the nineteenth century, the national economy had two expansionary cycles, closely related to the export of these products to world markets. In the 1850s and 1860s, economic growth was linked to the rising prices of wheat, silver, and copper. Consequently, public finances stabilized, and tax revenues grew for the first time after independence. The financial system was modernized

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<sup>116</sup> Benjamín Vicuña Mackenna, *Obras completas, Historia de Valparaíso, 1869*, (Santiago: Universidad de Chile, reprinted 1936), 248. <http://www.memoriachilena.gob.cl/archivos2/pdfs/MC0002293.pdf>

<sup>117</sup> Diego Barros Arana, *Historia General de Chile, Tomo Tercero La Colonia desde 1561 hasta 1610*, (Santiago: Editorial Universitaria, 2000), 23.

<sup>118</sup> Arnold Bauer, *Expansión económica en una sociedad tradicional: Chile central en el siglo XIX* (Santiago de Chile: Universidad Católica de Chile, 1973), 163. <http://www.memoriachilena.gob.cl/602/w3-propertyvalue-151651.html>

<sup>119</sup> Daniel Martner, *Estudio de la Política Comercial Chilena e Historia Económica Nacional*, Tomo1 (Santiago: Imprenta Universitaria, 1923), 283.

<sup>120</sup> Bauer, *Expansión Económica*, 167.

with the creation of numerous credit institutions supported by the Banking Act of 1860,<sup>121</sup> and also, the government made a first attempt to connect the productive zones and the ports through investment in the infrastructure of the central valley, the most productive region of its time.<sup>122</sup> Consequently, with the economic take-off and the growth of urban centers, the first domestic market-oriented industries were developed in the country. Chile's economic expansion was a subsidiary of the dramatic growth of European industrial economies, which reached their climax in the mid-1860s.

After the Pacific War, in 1879, and the incorporation of the rich nitrate regions of Tarapacá and Antofagasta, the country experienced a new economic growth cycle, this time linked to the export of saltpeter. The economic structure became more complex, public services expanded, and tax accounts stabilized again. The new markets and the expanding urban centers energized the economy, creating significant demand for industrial goods that began to be met in part by domestic products.<sup>123</sup>

World War I had a formidable effect on the industry, raising saltpeter prices and increasing imports. However, at the end of the conflict, the prices of Chilean commodities fell sharply, affecting not only the main source of income of the country but also leaving many miners unemployed and, worst, unable to adapt to another type of job. For the next fifty years, governments slowly began to reformulate their economic policies and move away from liberal orthodoxy. From the second half of the 1920s, the state took an active role in economic development, based on the principle that industrialization would lift the country out of the economic crisis and make it less vulnerable to fluctuations in the international

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<sup>121</sup> Eduardo Cavieres Figueroa, *Comercio Chileno y Comerciantes Ingleses, 1820-1880: Un Ciclo de Historia Económica* (Valparaíso: Ediciones Universidad Católica de Valparaíso, 1988), 116-127.

<sup>122</sup> Martner, *Política Comercial Chilena*, 275-76.

<sup>123</sup> *Ibid.*, 442-56.

economy. The core of this new orientation was the assumption that the country could substitute export commodities by developing the domestic industrial capability.

In contrast but in parallel, a copper boom after World War I brought companies from the United States to exploit Chile's deposits, which were one of the largest in the world.<sup>124</sup> American companies invested a large amount of money to begin the exploitation of new copper deposits. Using this boom, Chile regained its place as one of the world's leading copper producers. Due to political unrest and considering that most of the profits that these companies generated did not stay in the country, copper production was nationalized,<sup>125</sup> creating the largest state-own company, CODELCO<sup>126</sup> that is still one of the major players in the national and international mining industry.

Mining and agriculture, with all its variants, such as the wine industry, remain the most important economic activities of the country. New mines have opened, including for lithium, and the country's central valley remains a very productive region with agricultural products and cattle that are mostly for external markets. It will be difficult for the country to shift from these economic pillars in the short and medium-term. However, all these activities are heavily dependent on the maritime domain for its distribution, which reinforces the case for the country's maritime approach to the sea.

### **The first maritime challenge**

Given that the country's core economic activities are related to commodities and that their main markets, as we explained in the geographical chapter, are not in Latin America but

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<sup>124</sup> Alexander Sutulov, "Antecedentes Históricos de la Producción de Cobre en Chile" in *El Cobre Chileno* (Santiago: Corporación del Cobre, 1975), 115. <http://www.memoriachilena.gob.cl/602/w3-article-98262.html>.

<sup>125</sup> Ibid., 99.

<sup>126</sup> CODELCO: Corporación del Cobre: A Chilean state-owned mining company.

instead Asia, the United States, and Europe, maritime trade becomes then an essential factor for the subsistence of the country. Some early politicians, such as O'Higgins and Portales, understood this early on the emancipation process.

If O'Higgins was the visionary, Minister Portales was the implementer. While the former opened the Chilean ports for international trade,<sup>127</sup> the latter understood that to compensate for the country's relative weak position in relation to its neighbors, it was necessary to become a trading power.<sup>128</sup> To achieve it, he created basic institutions, such as the Navy, a merchant marine, warehouses, and a legal framework, using a top-down approach, that created a certain level of friction, in particular with the landlords, the nation's elite, who perceived a challenge to their power in the new economic class this would create. Portales was an admirer of the British trading system; he went as far as saying (hopefully joking) that he would "rent" the country to Britain for their administration.<sup>129</sup> The concept was rather simple; use the geographical position of Chile as a way to project the European interest into the Pacific Rim, investing in an advanced custom system and the fiscal warehouses that could be used to store merchandising for up to two years without paying taxes.<sup>130</sup> The effects of these laws are depicted in the 1834 Finance Minister's speech to Congress:

Among them, of particular mention are those that are now part of the customs ordinance, because its influence must be attributed to the extraordinary momentum that our foreign trade has received since the deposit regulation declared Valparaiso a

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<sup>127</sup> Enrique Larrañaga, "Bernardo O'Higgins, forjador del Poderío Marítimo de Chile," *Revista de Marina*, N°4, (2006), 353.

<sup>128</sup> Diego Portales to Manuel Blanco Encalada, September 10, 1836.

<https://historiachilexixudla.wordpress.com/2008/09/03/epistolario-de-diego-portales/>

<sup>129</sup> Carlos Sazo and Lautaro Ormazábal, "El Poderío Marítimo en el Epistolario de Don Diego Portales," *Revista de Marina*, N°4 (1996), 3.

<sup>130</sup> Francisco Antonio Encina, *Historia de Chile Tomo 26* (Santiago: Editorial Ercilla, 1984), 54.

free port. The value of goods in transit worth now many millions when there has barely been time for the news of this provision to come to the trading peoples with whom we have relations. And Valparaíso, which has become the freedom of laws in the main and largest market in the Pacific, sees ships of all nations that come to exchange from the manufactures of Europe and Asia to its bay, for the rich products of the part of America located on the coast of the Southern Sea.<sup>131</sup>

By 1852, although the country was still an agrarian society, nearly sixty percent of its budget came from customs revenues.<sup>132</sup> The 1853 report to the Congress made clear the State effort to build up a Maritime economy by improving foreign relations with all those nations that favored Chilean foreign trade; by developing a plan to improve communications from productive areas (in the country's central region) to ports; by improving the custom service and its laws; by promulgating a law establishing the geographical limits of Chilean fisheries; and by improving harbors.<sup>133</sup>

The second major factor exploited during this time, begun by Portales, but followed by most succeeding Finance Ministers, was the building of a strong merchant marine, to move this cargo through the Pacific. Since 1813, the state passed laws to promote national merchant shipping. The word "cabotage" was redefined as the transport of goods between Chilean ports, and a special tariff was granted for ships under the national flag. Portales created a merchant marine academy to increase the number of Chileans crewing these ships.<sup>134</sup> However, by 1840, the state recognized that maritime trade could not be left only in

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<sup>131</sup> Ministerio de Hacienda, *Memoria del Ministro de Estado al Congreso Nacional*, 1834, 243.

<sup>132</sup> *Ibid.*, 58.

<sup>133</sup> Ministerio de Hacienda, *Memoria del Ministro de Estado al Congreso Nacional*, 1853, 17.

<sup>134</sup> Diego Portales to Antonio Garfias, March 17, 1832.

<https://historiachilexixudla.wordpress.com/2008/09/03/epistolario-de-diego-portales/>

national hands, partly because of the lack of capital caused by the comparative lack of interest in shipping investment. Thus, they opened it again to all flags, abandoning protectionism.<sup>135</sup>

The war against Spain in 1866 and the danger the Spanish fleet posed to the merchant shipping had profound consequences for the national merchant fleet, which was forced to change to foreign flags, reducing it by the beginning of that year to nearly zero.<sup>136</sup> After the war, the fleet was rebuilt, growing to become one of the largest in the South Pacific, transporting goods from Chile to Asia, Australia, Polynesia, and the United States.<sup>137</sup> The merchant fleet grew in importance to the point that it was declared a strategic asset of the State,<sup>138</sup> and it proved to be decisive during the War of the Pacific in 1879, maintaining the logistics between Valparaiso and the expeditionary Army in Perú.

The growing importance of Chile, as a trading post and mining center, attracted European commercial houses which established themselves in Valparaiso. By the end of the nineteenth century, Valparaiso "had nearly 150 thousand inhabitants, but its commerce was two times larger than any U.S. city of similar size."<sup>139</sup> The leading national newspaper, *El Mercurio*, argued that free trade ideas were a "national doctrine."<sup>140</sup> Trading houses such as the British Williamson & Balfour, Duncan, Fox & Co., Gibbs, Huth & Co., or the Germans Vorker & Co., Weber & Co., and Gildemeister, operated in Chile. Their business was to import finished products from Europe, and export saltpeter, minerals, and food.<sup>141</sup> The exchange of goods flourished along with the new banking system. The first stock exchange

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<sup>135</sup> Ministerio de Guerra y Marina, *Memoria del Ministro de Estado al Congreso Nacional*, 1841, 10,11.

<sup>136</sup> Ministerio de Guerra y Marina, *Memoria del Ministro de Estado al Congreso Nacional*, 1866, 24.

<sup>137</sup> Martner, *Política Comercial Chilena*, 283-84.

<sup>138</sup> Ministerio de Guerra y Marina, *Memoria del Ministro de Estado al Congreso Nacional*, 1859, 16-17.

<sup>139</sup> Frank G. Carpenter, *South America. Social, Industrial, and Political. A twenty-five- thousand-mile journey in search of information* (Boston: Geo. M. Smith & Co., 1900), 199.

<sup>140</sup> *El Mercurio*. N° 9142, December 26, 1857.

<sup>141</sup> Juan Ricardo Couyoumdjian, *El alto comercio de Valparaíso y las grandes casas extranjeras, 1880-1930. Una aproximación* (Santiago: Universidad Católica de Chile, 2000), 73-75.

of the country was established in Valparaíso, not Santiago, in 1892, as well as the first international banks.<sup>142</sup>

But a closer look at the system reveals that the national economic system was not mature enough to sustain by itself in times of crisis, even if the government did well to take advantage of this first era of globalization. What the first administrators, such as Portales, did was to import a model that had worked in industrialized societies, such as Britain, and implanted in the incipient economy of Chile.<sup>143</sup> For example, rather than importing raw materials and transformed them into finished goods, to increase their value, the Chilean system was the opposite. The economic boom of the country did not come from what Professor Geoffrey Till describes as the virtuous economic circle.<sup>144</sup> Most of the revenues from the commodities did not stay in Chile but instead went back to the where the investors had their offices, mostly London. Chile only got its share by custom revenues from the taxation of these commodities. By 1850, nearly 60 percent of the Chilean treasury income came from these taxations, a ratio that kept rising until the beginning of the twentieth century. In other words, in order to increase national income, the government was not necessarily interested in fomenting the maritime industry; instead, it just needed to enlarge the number of goods and commodities that were traded. Most of the capital invested in the country was foreign, particularly from the European commercial houses mentioned earlier, meaning that the property of the mining companies, railways, ports, and even shipping, was in international hands rather than owned by Chileans.<sup>145</sup> Consequently, under this financial system, there was

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<sup>142</sup> Eduardo Cavieres Figueroa, *Comercio Chileno y Comerciantes Ingleses, 1820-1880: Un Ciclo de Historia Económica* (Valparaíso: Ediciones Universidad Católica de Valparaíso, 1988), 122.

<sup>143</sup> Daniel Martner, *Estudio de la Política Comercial Chilena e Historia Económica Nacional* (Santiago: Imprenta Universitaria, 1923), 119.

<sup>144</sup> Geoffrey Till, *Seapower, A Guide to the Twenty-First Century* (New York: Routledge, 2018), 18.

<sup>145</sup> Couyoumdjian, *El alto comercio de Valparaíso*, 70.

little room for the government to make centralized plan that could improve the public infrastructure to transform the revenues from commodities into an effective improvement of the population well-being, a factor that would become evident later, during international crises.

But capital was not the only element controlled by foreigners. Due to shortages on specialized labors, technical schools, and the national industry, most of the technical work was performed by Europeans, especially in mining and industry, the most productive areas of the national economy.<sup>146</sup> Because the whole productive system was based in trade, not of industrial/manufactured goods, but commodities, revenues were heavily depended on external markets, and the prices were dictated, as they are today, by the numbers of competitors and the demand of the product. So when the recession struck the world, after the First World War, and Germany invented synthetic saltpeter, foreign investors saw no more incentives in the country, and they simply took their capital and knowledge away, leaving Chile without enough resources to reinvest, without skilled administrators to run the companies, and without trade to transport on ships.<sup>147</sup> As a result, not only did the economy of the country collapse, but it raised questions about the government's ability to run the economy. New generations of economic thinkers raised a critical voice to the dominant liberal economic model, questioning the lack of state intervention in solving social issues and the role that foreign capital had achieved in the economy alongside the absence of the national entrepreneurship.<sup>148</sup>

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<sup>146</sup> Cavieres, *Comercio Chileno y Comerciantes Ingleses*, 141-45.

<sup>147</sup> Couyoumdjian, *El alto comercio de Valparaíso*, 98-99.

<sup>148</sup> Aníbal Pinto Santa Cruz, *Chile, un caso de desarrollo frustrado* (Santiago: Editorial Universitaria, 1959), 107-108.



But as discreditable as the system was for these new economic thinkers, this period left an important amount of infrastructure within the country. Foreign industrials invested significant resources in building networks to bring the products closer to ports. During this period, railways connecting mines to ports flourished as well as roads and communications systems. New ports were built, and the materials to build most of these new infrastructures were tax-free.<sup>149</sup> Efforts were made to "give to Chile's most productive agriculture area access to the sea."<sup>150</sup> The economic system recognized that the vital element for trade was the sea, and as a result, several finance ministers passed laws to that end. Consequently, the country saw a transformation from being one of the poorest of the region to one of the wealthiest.<sup>151</sup> Perhaps, if it was not for the interwar economic crisis, the country would have had enough time to reinvest the revenues from trade into better infrastructure, raise national capital and create a more mature society, with enough skills, knowledge and welfare distribution to keep the economy in the absence of foreign capital.

The Great Depression hit Chile harder than any other country in Latin America.<sup>152</sup> Subsequent governments, instead of supporting free trade, believed that the only way to improve the economy was to build a self-sufficient industry, creating goods for the internal market, and heavily taxing all foreign products. This economic ideal, known as *Industrialización por Sustitución de Importaciones*, was devastating for the country.<sup>153</sup> While these barriers had aimed to stimulate industrial development that was supposed to be the engine of the growth of the Chilean economy, in reality, it transformed the economy into a

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<sup>149</sup> Martner, *Política Comercial Chilena*, 119.

<sup>150</sup> Pinto, *Chile, un caso de desarrollo frustrado*, 22.

<sup>151</sup> Enrique Mac-Iver, *Discurso sobre la Crisis Moral de la República*, (Santiago: Imprenta Moderna, 1900), 10.

<sup>152</sup> Pinto, *Chile, un caso de desarrollo frustrado*, 110.

<sup>153</sup> Gabriel Palma, "Chile 1914-1935: de Economía Exportadora a Sustitutiva de Importaciones," *Estudios Cieplan* N°12, (1984), 61-68.

very inefficient one, with unproductive state industries, and unsustainable monopolies. The system brought decades of political turmoil that ended in a military coup in 1973. The new government established a liberal economic system, and the strategy was to open up the country to stimulate new exports, forcing all sectors to open up to external competition, abolishing domestic monopolies, stimulating the absorption of new technologies, improving the quality of products and opening up of new markets.<sup>154</sup>

### **Globalization, a new opportunity**

The second attempt to open Chilean markets to the world economy came during the early 1980s, in a very similar fashion than the first, when the country embraced a liberal economic system again, using the advantages of the new globalization process. Although still heavily dependent on the export of commodities, free trade and specifically maritime trade became once more a critical factor in the Chilean strategy; although this time, the country's society, the infrastructure, and the financial system were better prepared for the challenge.

By the end of the twentieth century, Chile had no less than 29 free trade agreements with 65 other nations, accessing 67 percent of the world population, and 88 percent of the world GDP.<sup>155</sup> This was not new; during the first liberal regime, the country had signed free trade agreements with Mexico, in 1831; the United States in 1832, France in 1846, and even Sardinia in 1856.<sup>156</sup> Efforts were made to open trade with Calcutta as early as 1812.<sup>157</sup> These agreements were signed to gain favorable access to Chilean products in the markets of the

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<sup>154</sup> Dominique Hachette, "Las Reformas Comerciales y Financieras" in *Chile en pos del Desarrollo*, ed. Rodrigo Vergara and Felipe Larraín, (Santiago: Centro de Estudios Públicos, 2000), 17.

<sup>155</sup> Acuerdos Comerciales, Subsecretaría de Relaciones Económicas Internacionales, last update 2020, <https://www.subrei.gob.cl/modulo-de-acuerdos-comerciales/>

<sup>156</sup> Martner, *Política Comercial Chilena*, 160, 166, 231, 285.

<sup>157</sup> Ibid., 141.

world. A similar process began in 1990, when the newly installed government used the liberal economic system created during the military government, to open the internal competitive market to foreign investment. Between 2010 and 2018, trade represented 52.1 percent of GDP.<sup>158</sup> And significantly during the same period, 93.3 percent of this trade traveled by sea. The sea became again a vital element of the Chilean economy, not to mention all the other economic activities directly linked to it, such as fisheries, tourism, mining, and energy. Interestingly, the figures in terms of the amount of trade per region have a similar distribution in 1850 as in 2020. Europe, the United States, and Asia are the main markets for the bulk of Chilean exports, rather than Latin America.<sup>159</sup>

The opening epigraph, although impressive, might not represent the correct link between the economy and the maritime condition of the nation. In other words, dependence on maritime trade does not necessarily make a country a maritime power; rather, it is the country's will underneath these figures that defines the condition. For example, how maritime is a state that heavily depends on the sea for commerce but relies on third parties from the administration of the ports, for transporting the cargo, and even for the defense of the latter? This is an interesting point to demonstrate that Chile has begun to understand the relationship between national interests and the sea. By privatizing the ports, a critical link for trade, the state allowed Chilean investors to control and upgrade them. The know-how gained from this process is depicted in the 2007 Inter-American Development Bank report:

The effects of concessions have been very favorable, as dealers have invested in equipment and physical infrastructure, rapidly increasing the productivity of

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<sup>158</sup> Gustavo Jordán, “¿Cuán Dependiente será Chile del Transporte Marítimo a Fines del Siglo XXI?”, *Revista de Marina*, N°3 (2019), 24-33.

<sup>159</sup> Martner, *Política Comercial Chilena*, 254.

concessions berths. Transfer speeds have tripled, and the costs of Chilean ports are among the lowest in the world. Privatization also allowed the state to raise more resources, both for the down payment when the concession was awarded, the annual levy, and for port charges.<sup>160</sup>

The know-how on port management became a business, and today, Chilean companies are managing not only the national port but many others all over both coasts of the American continent.<sup>161</sup> They have also become regional leaders in tug services, with a fleet that numbers fourth in the world.<sup>162</sup> The shipping industry also became a relevant actor, and until today, there is still political discussion about whether to open or not cabotage for foreign ships. The *Compañía Sud Americana de Vapores* (CSAV), established in 1872, was the largest Latin America shipping company until its fusion with Hapag-Lloyd in 2014. They not only transported national goods, but their operation still transports cargos for the rest of the continent. In 2001 figures, Chilean companies were almost double in the next competitor in South America, Brazil, in terms of transported TEU<sup>163</sup>, and were ten times larger than the third, Argentina.<sup>164</sup> Today, Chile has more than 70 shipping companies of different sizes operating within the country, and many of them also operating in the international markets.<sup>165</sup>

Shipyards are becoming another important industry. Today, 54 shipyards operate in Chile, only one of them state-owned. ASMAR, *Astilleros y Maestranzas de la Armada*, is administrated by the Navy, and it is currently building its largest project, a 10,000 ton

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<sup>160</sup> Ronald Fisher and Pablo Serra, “Efectos de la Privatización de Servicios Públicos en Chile”, in *Cono Sur, Serie de Estudios Económicos y Sociales*, CSC-07-009 (2007), 7.

<sup>161</sup> “Port Terminals,” SAAM, last update 2020, <https://www.saam.com/en/port-terminals/>

<sup>162</sup> “Towage,” SAAM, last update 2020, <https://www.saam.com/en/towage/>

<sup>163</sup> TEU: Twenty-foot Equivalent Unit

<sup>164</sup> Jan Hoffman, *Transporte Marítimo Regional y de Cabotaje en América Latina: El Caso de Chile* (Santiago: Naciones Unidas, 2001), 21.

<sup>165</sup> “List of Shipping Companies,” Mundo Marítimo, last modified May 2020, [https://www.mundomaritimo.cl/empresas/listado?categoria\\_empresa=Navieras](https://www.mundomaritimo.cl/empresas/listado?categoria_empresa=Navieras).

icebreaker. Although this shipyard is capable of building warships, its focus today is the auxiliary units of the service, delivering more than fifty of these units. Established in 1895, it is refitting not only Chilean warships, but Ecuadorian and Argentinian ones as well.<sup>166</sup> But there are also other private shipyards, such as ASENNAV, in Valdivia, with more than 180 ships built for internal and external markets.<sup>167</sup> Although a very small market when compared to those in Korea and China, these shipyards play an important role within the local community. Local universities have created maritime-related careers, such as marine engineers and marine architecture, to provide the technical knowledge that this business requires.<sup>168</sup>

Fisheries are another interesting element to analyze. Chile has been a major actor in this industry, but it has constantly been falling behind. In 1994, it held third place in the total world capture; in 2010, it was in the tenth position, and today is in the twelfth.<sup>169</sup> Even though a relevant number, it only employs nearly 0.9 percent of the Chilean workforce,<sup>170</sup> and in terms of GDP, the industry represents only six percent.<sup>171</sup> Are these numbers relevant when deciding if Chile is a maritime nation? Perhaps yes, mainly for two reasons. First, although fishing happens all along the Chilean coast, it is particularly concentrated in certain cities, such as Iquique, Talcahuano, and Puerto Montt. The latter has a complete economic system created around the salmon industry. Well boats, ferries, floating farms, freighters, divers, and

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<sup>166</sup> “Construcción Naval,” Astilleros y Maestranzas de la Armada, last modified 2019, <https://www.asmar.cl/buques-armada>

<sup>167</sup> “Construcción Naval,” Astilleros y Servicios Navales S.A., last modified 2020, <http://asenav.cl/es/construccion/>

<sup>168</sup> “Naval Engineering,” Universidad Austral de Chile, last updated May 2020, <http://international.uach.cl/engineering/#1546873360705-82f2dbb4-888e>

<sup>169</sup> Gideon Long, “Pesca en Chile: Una Carrera contra el Tiempo,” *Business Chile*, August 20, 2012, <https://www.amchamchile.cl/2012/08/pesca-en-chile-una-carrera-contra-el-tiempo/>

<sup>170</sup> “Estadísticas de Empresas por Rubro Económico,” Servicio de Impuestos Internos, last modified Sept 2016, [http://www.sii.cl/estadisticas/empresas\\_rubro.htm](http://www.sii.cl/estadisticas/empresas_rubro.htm)

<sup>171</sup> “PIB Silvoagropecuario y Nacional, 2018,” Oficina de Estudios y Políticas Agrarias, last modified 2019, <https://www.odepa.gob.cl/estadisticas-del-sector/estadisticas-economicas>

many other services are built around this industry, which produces the largest number of salmon in the world, and is the second-largest export after copper, with annual revenues around US \$4.6 billion.<sup>172</sup> A second factor is the reasons behind the shrinking numbers of the annual catch. The government, acknowledging the need to create a sustainable industry for the future, had applied annual quotas, reducing the yearly catch of those migrant species that might be endangered. Also, nearly 43% of the Chilean EEZ is protected by different laws, making Chile the country with one of the most significant percentages of protected areas related to its EEZ, designed to secure the sustainability for this industry.<sup>173</sup> By acknowledging the sea as a vital element for future generations, the country is recognizing it as an integral part of the country's resources, and not just something incidental.

The maritime domain is also vital when analyzing country dependence on energy. If, in the year 1985, Chile imported 29 percent of its energy needs, in 2016, it was 73 percent and growing.<sup>174</sup> Most of this energy is transported to the country through shipping. If this flux is interrupted, the results for the country would be devastating. A recent study proposes that the first effect would be seen in the first weeks, and the whole industrial production would be paralyzed in a couple of months in the best case, making the importation of oil and gas from a problem of national security.<sup>175</sup>

It is also worth noting a point discussed in the political chapter, how the state uses its revenues to support Defense. The Chilean case has its version of Themistocles' plea for the use of revenues from the silver mines of Argentinum. The so-called Copper Laws (Law N°

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<sup>172</sup> Gideon Long, "Pesca en Chile: Una Carrera contra el Tiempo."

<sup>173</sup> "Áreas Marinas Protegidas," Ministerio del Medio Ambiente, Chile, last modified May 2020, <https://mma.gob.cl/la-superficie-total-de-las-areas-marinas-protegidas-es-mayor-que-la-de-chile-continental/>

<sup>174</sup> "Dependencia Energética y Desafíos Para Mejorar su Eficiencia," *El Mercurio*, March 10, 2014.

<sup>175</sup> Jordán, "Transporte Marítimo" 24-33.

13.196) passed in the year 1958, stated that 10 percent of the total revenues of the copper industry should be used for acquiring defense equipment. Although it started with the largest share for the Navy, it ended up distributing these incomes evenly between the armed forces.<sup>176</sup> This law allowed to build the actual fleet and remains an example of the efforts made by the state to use economic revenues for security even though the constant pressure from other sectors of the society, such as health and infrastructure.

This second approach to the sea is still developing. As was argued in the beginning, this is an evolving process, adapting not only to technology, markets, and foreign policy but also to new challenges such as climate change and sustainability of the resources that the maritime domain can offer to new generations.

## **Comments**

The Chilean economic model is certainly different from those classic maritime economies, such as nineteenth-century Britain, or twenty-first century Singapore. The country does not have the industrial capacity to attract commodities from abroad and transform them into finished goods of the former nor the robust and focused maritime service industry of the latter. The country's reality gravitates to agriculture and mining, land-related industries. However, Chile's vital dependence on maritime trade, for accessing its main markets outside the continent, its critical dependence on imported energy, and most important the state recognition of this situation by creating policies to encourage private and public investment in infrastructure, are all signs of a maritime awareness that obviously should be increased, consistent with the maritime destination to which geography impels it, but important enough

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<sup>176</sup> “Ley Reservada de Cobre,” Biblioteca del Congreso Nacional, last modified Jan 1958, <https://www.leychile.cl/Navegar?idNorma=27380&buscar=13196>

to consider that maritime oriented business model, along with free trade has contributed in an important way to the well-being of the nation.

It is also important to acknowledge that the classical model of a maritime city, full of warehouses and markets with a large number of its population working in maritime-related services is being replaced by highly technological intermodal terminals, usually outside the cities, where the ancient ship loader is replaced by single man operated cranes. The shipping companies as well are using fewer crews to man larger ships, so it seems that the workforce needed to man the maritime industry is continuously decreasing its size when compared to other businesses.

Does this mean that the culture of the country will be affected? Perhaps, but from an economic perspective, it does not mean that the country will be less attuned with the sea. In fact, in the Chilean case, the recognition not only by the government, but also from the private sector that the maritime business is essential for developing the country, is probably the main reason why they have created in the last fifty years an important number of maritime services. These include transport, port managing, tug services, and many others, not only in Chile but in South America; they generate national know-how in maritime business models, and that contributes to the enlargement of the maritime business culture.

It also seems important to recognize that the main enabler of the Chilean maritime economy is globalization and free trade. These two very related factors have been present during both periods of intensive maritime trade. Fair access to foreign markets has been essential for developing this industry, and the country has flourished during these periods. It has also shown how dependent is the national economy on stability and the world order. Perhaps the acknowledgment of this vulnerability has pushed the government to invest in the country's Navy and to understand this service not just as a pure military capability to defend



the country's borders, but as a contributor of a more complex international system to maintain the maritime order.

Finally, this case makes a significant point; it shows how a nation, that is, the government and private interests have transformed a weakness into a strength. So, it is not about the figures, the 95 percent of trade performed via maritime domain, or the dependency on the latter for energy that gives the country a maritime characteristic; rather, it is the national strategy to secure those figures that matters for a country to be regarded as maritime. The economy, that is maritime free trade, had been the most powerful enabler of the development of the country, putting the sea in the center of the debate. The national understanding of the need to protect this trade had given life to institutions like the Navy, not the other way around. This is not the case of an over simplified reading of Mahan, rather, it has been a long trial and error process that have brought several lessons, sometimes learnt, to improve the national well-being. The process of becoming a maritime power is not completed, but it seems that the government maritime policies, based on their understanding on the benefits of that domain, such as trade, are heading into the right direction.

## **Chapter 4: The Maritime Society**

Every May 21<sup>st</sup> at 12:10, the roar of 21 salute gun salvos echoes on the coast around many Chilean harbors. The anchored ships -civilians and naval- are dressed in their best galas using their signal flags hoisted at the masts. This celebration is the country's largest after Independence Day. Immediately following the salvos, a naval parade begins, where sailors, soldiers, firefighters, and schoolchildren march around most cities and towns, among other social institutions. Children gather near the troops to watch them parading while soldiers and sailors sing military anthems and display their medals. It honors thirty-one-year-old Navy Commander Arturo Prat and his crew. They fought on board the *Esmeralda*, an obsolete wooden corvette against the *Huascar*, the Peruvian ironclad, and pride of their fleet during the War on the Pacific. What was supposed to be an easy Peruvian victory ended in an epic battle, with Commander Prat boarding the enemy ship after the *Huascar* rammed his own. The *Esmeralda* sank after the third ram, still flying its colors. But while Prat and his men lost the battle and gave their lives for the country, following an unbroken venerable tradition of not surrendering their colors,<sup>177</sup> the country elevated them to the level of heroes, and Prat, in particular, became the most known hero and role model until today.<sup>178</sup> Currently, there are over 144 streets named after him in Chile, usually main ones, and 130 named after his ship, making them the first and second most popular street names in the country.<sup>179</sup> While Prat's actions still are played at schools by young students, and May 21<sup>st</sup> is consistently celebrated

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<sup>177</sup> William F. Sater, *Andean Tragedy, Fighting the War of the Pacific, 1879-1884* (Lincoln: University of Nebraska Press, 2007), 130.

<sup>178</sup> Gonzalo Vial Correa, *Arturo Prat*, (Santiago: Editorial Andrés Bello, 1995), 262.

<sup>179</sup> <https://www.latercera.com/noticia/conoce-los-nombres-de-las-calles-mas-comunes-en-Chile/>

every year with the presence of Chile's President, it seems not enough to claim that Chileans are a maritime society.

The book "Stone of Venice" provides perhaps one of the best descriptions of maritime societies. Ruskin's approach defines the people and the influence that the sea made in the entire republic, including architecture, government, and arts, among others. Undoubtedly, it is considered by many authors as one of the best models for maritime society, one that lived by and for the sea. But Ruskin's Venice, although a Republic, was a port city encapsulated by the boundaries of its islands, in a rather limited geographical space. Scholars also consider other nations, like Athens or Carthage, as maritime societies, but they also share similar characteristics: they are cities rather than countries. It is worth questioning how can we determine if countries like Chile, with several towns, landscapes, climates, and far larger physical space than most traditional maritime cultures, including the United Kingdom, might fit into what is understood as a maritime society.

To answer this question, we will understand as a maritime society, one that is culturally attuned to the sea, taking this domain as an integral part of their lives; or at least an important part of it; a society that understands that the ocean plays a central role in the welfare of the nation. This chapter will argue that certain Chilean groups had behaved as maritime societies, but not the country as a whole. While it might not be spread within all the population, certain influencing groups, such as flourishing merchant class had challenged the established landlords from the colonial period, creating a new breed of entrepreneurs and traders that, by taking advantages of the attributes of the sea, built wealth and opened the local society for trade and to all the social and cultural changes associated with it which brought, during different periods, welfare, and progress to the country.

The first part will describe the maritime condition of the original indigenous people and the Spanish influence on them. The second part will discuss the impact of foreigners and the development of a local merchant class in Valparaíso. The last section will describe present groups, other than the Navy, who are trying to preserve a maritime culture by creating discussion about the importance of the sea for the nation's welfare.

### **The first settlers**

In order to understand the national culture, if there is one, it might be useful to analyze the country symbols. For many years, the *huaso chileno* has been considered the stereotype of the Chilean, particularly in the central valley, the country's most populated area. But the *huaso* is far from a sailor; he is the national version of an American cowboy, a skilled horseman that performs his duties in the *hacienda*,<sup>180</sup> usually located away from the coast. Perhaps the only group that today might be thought of as a maritime group are the *Chilotes*, the inhabitants of the Chiloe archipelago in the middle south of Chile. As described in Chapter 2, the geographical conditions of this region shaped its population, which was forced to use the sea as a means for communication, transport, and food. Consequently, the mythology of this region is sea-centric, with legends such as the *Caleuche*, a local version of the Flying Dutchman, a vessel that appears on foggy days to recover the bodies of those lost at sea transforming them into eternal crew members of it. Also, the legend of the *Pincoya*, a princess from the sea that represents the fertility of all the sea species. The *Chilote* culture remains until today, as the region continues to depend heavily on the maritime industry, being the capital of the salmon aquaculture of Chile, which makes it the second-largest exporter in

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<sup>180</sup> Simon Collier and William Slater, *A History of Chile, 1808-2002* (Cambridge: Cambridge University Press, 2004), 11.

the world of this product. But other maritime societies did not survive time, at least as strong as they began.

Perhaps one of the best examples is the *Rapanui*. This Polynesian culture sailed thousands of miles from the Marquesas Islands to settle down in Rapa Nui, in the middle of the Pacific, around the year 600, guided by their leader, Hotu Matu'a.<sup>181</sup> Today, Rapanui, or Easter Island, remains one of the most isolated places on earth; located in the center of the South Pacific, Europeans only discovered it in 1722. The once nearly 10.000 inhabitants of the island proved a challenge for its limited resources, and by 1888, when Chile incorporated her, it had a little over 100 survivors.<sup>182</sup> But remarkably, as adventurous as their origin was, they did not sail away; rather, they fought endless fratricide wars or were enslaved by Peruvians, who took them to the continent to work on their mines.<sup>183</sup> How a proven maritime society, able to cross almost half of the Pacific in their early years, lose its ability to sail away from the island remains an interesting question. Perhaps a possible answer is the rigid type of society they built that prevented them from exploring new lands; perhaps because of the overpopulation, they left the island without lumber to build new boats.<sup>184</sup> Whatever the answer is, the *Rapanui* case reminds us that maritime societies are not static and can turn themselves into a more continental one.

The most important ethnical group before the arrival of the Spanish Conquistadors was the *Mapuches*; they were sedentary farmers with predominant vegetarian habits and were also a decentralized ethnic group, with different practices depending on the site where they

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<sup>181</sup> Rodolfo A. Philippi, *La Isla de Pascua i sus habitantes*, (Santiago: Imprenta Nacional, 1873), 6.

<sup>182</sup> Gustavo Jordán, "Pasado y Presente, la contribución de la Armada al desarrollo de Rapa Nui," *Revista de Marina*, N°4, (2006), 321.

<sup>183</sup> Philippi, *La isla de Pascua*, 3.

<sup>184</sup> *Ibid.*, 15-18.

lived.<sup>185</sup> Those communities that lived closer to the coast, called the *Lafquenches*, did not venture towards the deep ocean; they used the sea as a means of resources and connectivity. They build small coastal canoes, using the tree's trunk, navigating lakes, and even venturing to islands near the coast to fish and transport their goods. Far south, between the Strait of Magellan and Cape Horn, lived the *Yamanas* and *Selknam*s, among others. They also lived by the sea, using canoes built with seal leather, with the same objective as the *Lafquenches*, but amazingly supporting the harsh weather around the Beagle Channel.

But while these pre-Hispanic societies might be considered maritime, their way of life did not survive Spain; the conquistadors almost completely absorbed their cultures. The newcomers were horse raiders, experienced in land campaigns and agriculture rather than navigation and fishing. They came to the country through the northern deserts, settling down in the central valley and fighting the *Mapuches*. These ethnic groups were slowly absorbed during the following centuries by their European counterpart, and while some of their traditions survived, very few of them were related to the sea. In fact, from a military perspective, the Spanish were unopposed at sea, and what the *Mapuches* did, was to fight them in a guerrilla tactic warfare that held the Spanish at bay for more than 300 years, adopting some of the Spanish ways of warfare, including the use of horses.<sup>186</sup>

In the end, it was the Spanish-Castilian culture that prevailed, imposing their rather continental idiosyncrasy. As soldiers and farmers, they founded most of the new cities in the central valley, between the coastal range and the Andean mountains, the most fertile land on the new territory. There were no reasons for them to change their previous way of life,

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<sup>185</sup> Robert Charles Paden, "Cultural Change and Military Resistance in Araucanian Chile, 1550-1730," *Southwestern Journal of Anthropology*, Spring, 1957, Vol. 13, N°1 (Spring, 1957), 103-121

<sup>186</sup> Jason C. Sharman, *Empires of the Weak* (Princeton: Princeton University Press, 2019), 44.

considering that their new home had very fertile lands and was relatively well protected. Their primary security concern was the *Mapuches* in the south. The latter fought in minor, guerilla-type skirmishes. The Spanish were more concerned with securing new holdings on land and wealth by the *encomienda* system, which took large numbers of Amerindian labor to exploit their new estates. To secure these haciendas and towns, they built most of their cities away from the coast to protect them from piracy. Coastal cities like Valparaíso were second-class outposts built to provide others with supplies from the rest of the colony.

This landlocked vision was further reflected in the Spanish prioritization to establish armies and fortifications for coastal defense in those areas where the adversaries could attack, rather than investing in a fleet to perform the same task, but with mobility to defend the large coast, the only area through which adversaries could attack, given the geographical characteristics of the country.<sup>187</sup>

But after independence, General O'Higgins, as we saw in Chapter 1, understood that the only way to prevent the Spanish from taking over the country was with a Navy, the same Navy that should protect trade, as the country opened its economy to the world. This trade brought a new social class, the mercantile, that challenged the power of the old landlords, who felt that their influence in government was diminishing.

### **The construction of a maritime society**

Opposed to the previous Spanish cultural reality, a group of citizens from diverse backgrounds, but with a common view of the importance of the sea for the wealth of the country, managed to build a legal framework and explore the opportunities of the maritime

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<sup>187</sup> Sergio Núñez “¿Tiene Chile conciencia marítima?”, *Revista de Marina*, N°3 (1980), 209.

dominion, building an impressive industry that at its peak, would provide the largest merchant fleet in Latin America, the twelfth largest fishing industry in the world,<sup>188</sup> a maritime services industry present in most South American ports and the largest Navy in the south Pacific, following Australia.

Probably the best example of this new mercantile class was the one established in Valparaíso. Following O'Higgins' vision about maritime trade, several ministers, starting with Portales and Rengifo, created the conditions to transform this city into a trading hub. Taking advantage of this new scenario, several European immigrants came to Chile looking to build wealth. As an open market system replaced the Spanish crown foreign trade regulations, traders from Britain, Germany, Italian, Spain, France, and locals settled in the port city, transforming it into the country's principal port, and even surpassing Callao, in Perú.<sup>189</sup> The effect was that Valparaíso, in terms of the economy, became more important than Santiago, a condition that changed only after the opening of the Panama Canal. A French visitor described the real power of 1880's Valparaíso in relation to Santiago: "...there are more than 3000 merchant ships that make their arrival and departure every year...The sums involved in the business [of Valparaíso] are enormous; and if Santiago, as capital and seat of government, has the monopoly of diplomacy, it is here that resides the great majority of foreign consulates."<sup>190</sup> These European colonies brought expertise in maritime trade, building over time a small economic elite that disputed the hegemony of the ancient landlords, that had repercussions in the passing of laws that favored trade and the building of

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<sup>188</sup> Ministerio de Relaciones Exteriores, *Mares de Chile, Visión 2040* (Santiago: Ministerio de Relaciones Exteriores, 2019), 5.

<sup>189</sup> Collier and Slater, *A History of Chile*, 61.

<sup>190</sup> David Woods, *Destino: ¡Valparaíso!, Pioneros europeos en la costa oeste de Sudamérica* (Santiago: Editorial Ricaaventura, 2016), 39.



a Navy. 19<sup>th</sup> Century Valparaíso became a multicultural city. Its hills were built with Spanish, British, German and Italian architecture styles brought by the merchantman countries; new European style mansions appeared in the city's downtown, along with press, theatres, sports clubs; even newspapers supplements were written in English to supply the steamship service that started from Valparaíso to Panama.<sup>191</sup> Numerous warehouses, customs, banks, insurance companies could be seen on its streets. Most of its citizens worked in areas related to maritime trade; they were crane operators, stevedores, crewed cargo boats, or consolidated the load for the shipping industry. Valparaíso fitted the conceptual maritime society that perhaps was found earlier in Venice, Genoa, or any other port city worldwide.

But while Valparaíso fostered a maritime society, 19<sup>th</sup> Century Chile seems to have been more continental. The main product of this exchange was agriculture and mining products, both sectors taking most of the national labor.<sup>192</sup> This ratio would not change in the future; whether it was nitrate, copper, wheat, fruits, or wine, they are all heavily workforce compared to maritime activities. In other words, the sea was saw as the means to transport these goods, with the great majority of the Chileans, worked the land rather than in maritime activities, a condition that remains until today. Valparaiso's maritime culture did not permeate to the rest of the country. Land-based activities heavily influenced a landlocked mentality; according to Joaquin Fermandois, a renowned Chilean historian, when asked if the country had a maritime mentally, he answered, "Firstly, we would say no, despite the overwhelming geographic reality. An elemental Chile emerged from the agricultural world. This instilled

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<sup>191</sup> Collier and Slater, *A History of Chile* 94-95.

<sup>192</sup> Ibid., 76-79.

an 'inland' mentality, mainly inserted in the main part of the central valley's landscape, irrespective of the fact on how vital maritime connections have been and still are today.”<sup>193</sup>

The word "vital" in Fermandois's statement is interesting. When arguing on the elements of Sea Power, specifically national power, Mahan reasoned that Britain went to sea because of the necessity of trade, both lacking natural resources at home.<sup>194</sup> This was not Chile's case, at least before the industrial revolution. The countryside provided enough food to support the relatively small numbers of settlers; commerce was important but not vital. But the new economic elite, borne from the country's foreign exchange, recognized that maritime trade was essential to become a wealthier country. And they were not wrong. Today, nearly 95% of the Chilean foreign trade, the source of the main incomes of the country, is performed by sea.

As vital as the sea is today for the economy, Chileans generally do not think of themselves as a maritime society; apparently, they understand it as a helpful tool rather than an integral part of their lives. And there might be good reasons for this. Valparaíso, for example, is still an important port, but one that requires less manpower than its 19<sup>th</sup> Century version. Today, ships download their cargoes with automated cranes, and it is taken from the harbors in containers directly into other cities by intermodal systems. If we use the same ruler that we once used to measure Venice, Valparaiso's society seems to be less maritime than its previous version. Once a vital trading station that attracted entrepreneurs from Europe, today it seems to be a city that its only connection to the sea is being located next to it.

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<sup>193</sup> Armada de Chile, *Horizonte en el Pacífico. Visión oceánica de la Armada de Chile* (Valparaíso: Imprenta de la Armada, 2019), 143.

<sup>194</sup> James Holmes, *Maritime Strategy* (Annapolis: United States Naval Institute, 2020), 38.

## Changing the paradigm

But there is an important group that understands the importance of the sea to the country. In order to bring the population closer to the sea, economic elites, along with the government, have created several institutions to accomplish this challenge in a top-down approach. Two concepts are currently used as pillars for this strategy: “Maritime Interests” and “Maritime Awareness”,<sup>195</sup> both born in the Navy's lexicon and exported to the civilian world. Maritime Interest is understood as “the set of real or potential benefits that a country can make from sea-related activities and the sustainable exploitation of its resources.”<sup>196</sup> Also, Maritime Awareness “encompasses a deep knowledge of the Maritime Interest and the geographical condition, also involving the will that impels the individual to carry out activities associated with the sea.”<sup>197</sup> These two concepts have articulated how the government, traditionally represented by the Navy and some maritime institutions, has implemented a path to influence national culture.

The logic under this unwritten strategy of bringing the sea closer to the citizens is imitation. According to Admiral Miguel Vergara, former Commander-in-Chief of the service, the more people do sea-related activities, the more will want to imitate them, understanding that good examples are generally contagious. A good model, supported by adequate propaganda and tied with a maritime education, “allows maritime consciousness to expand from the individual level to specific groups gradually and then to society, becoming national maritime awareness. In short, sea-associated experiences, example, and education

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<sup>195</sup> In Spanish, Intereses Marítimos and Conciencia Marítima, respectively.

<sup>196</sup> Carlos Valderrama, “Los Intereses Marítimos Nacionales”, *Revista de Marina* N°2 (2015), 17.

<sup>197</sup> Miguel A. Vergara and Carlos Valderrama, “La Conciencia Marítima Nacional”, *Revista de Marina* N°4 (2019), 57.

are the pillars on which the formation and development of national maritime consciousness are supported.”<sup>198</sup>

Interestingly, the most active initiatives to develop these pillars are not governmental but civilian. A small number of nonprofit organizations have been working since the beginning of the 20<sup>th</sup> Century, focusing on influencing both government and society on the importance of the sea.

The *Liga Marítima* (Maritime League), whose motto is “more than a hundred years of fostering maritime consciousness,” embraced the mission statement of “to publicize the benefits that our “*maritorio*.”<sup>199</sup> brings to the development of the country and the well-being of each person.”<sup>200</sup> was the first nonprofit corporation, created in 1914. It promotes all kinds of activities related to the sea and its importance in the present and future of Chile. One of its most important efforts has been the promotion of a national merchant navy; encourage the development of maritime scientific studies by supporting the creation of the Institute of Oceanography of Valparaíso, in 1945, and the coordination of all maritime scientific aspects until the establishment of the National Oceanographic Committee (CONA); and finally, actively promoting all maritime sports. Some members of this League have had an important influence on governmental and international policies regarding the sea. For example, once the league director, Mr. Jorge Guarello Fitz Henry was the intellectual creator of the 200

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<sup>198</sup> Ibid, 58.

<sup>199</sup> In Spanish, territory means *territorio*, being the first part of the word *terri*, related to *tierra*, which stands for land. So, they created the word *maritorio*, replacing land by sea.

<sup>200</sup> <http://ligamar.cl/bienvenida.php>

miles of Exclusive Economic Zone concept, first raised in 1946, within the League, which was later ratified in the Convention on the Law of the Sea in 1982.<sup>201</sup>

The *Fundación Mar de Chile* (1999) is also a nonprofit institution whose main objective is to promote national awareness related to the importance of the maritime and lacustrine domains for the country's development. Their strategy is based on four pillars: sustainable use of the maritime environment; promotion of water sports; the building of a maritime workforce; and promoting the consumption of seafood.<sup>202</sup> Their main source of diffusion is a website dedicated to disseminating all those activities and initiatives to incentivize the creation of a Chilean maritime culture. On the other hand, it also develops activities to help isolated communities, incentive maritime studies programs in junior and middle schools, student tours to fishing communities, including seafood tasting, and e-learning courses to increase their maritime knowledge.<sup>203</sup>

The *Corporación del Patrimonio Marítimo* (1998): this maritime heritage corporation's main objective is to preserve, research, and disseminate the country's maritime heritage and be a platform of networks supporting the development of any activity related to this purpose. Initially, its management focused on the sustained support for all museums and maritime historical spaces that the Navy administered. It has focused its projects on supporting cultural activities that link people to the sea in recent years. It has been concerned

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<sup>201</sup> Ibid.

<sup>202</sup> The national consumption of seafood in the country is small compared to beef. According to private research, the percentage of fish in the meat group is less than 8%.  
<http://www.economiaynegocios.cl/noticias/noticias.asp?id=104350>

<sup>203</sup> Fundación Mar de Chile, <http://mardechile.cl/wordpress/?p=6469>

with disseminating maritime culture through talks and other shared projects of a social nature, aimed mainly at youth.

While the Navy is constantly disseminating the importance of the maritime domain, it has also developed some initiatives that remain until today, such as the *Mes del Mar* (1974): the month of the sea seeks to promote the opportunities the maritime environment provides in the economic, scientific, social, cultural, and recreational aspects.<sup>204</sup>

It seems that Chile is a country with less maritime awareness than it should when considering its geography. To the Castilian land-centric heritage, we need to add that maritime activity has always competed with agriculture and mining. First, nitrate from the northern part of the country, and then copper, and perhaps lithium shortly, have been the primary resources for the economy, or at least from the ordinary citizen perspective, forgetting how vital the sea for the country is to remain competitive while exporting these goods.

A political discussion has been developing during the last years; a group of representatives, most of them related to coastal cities, have proposed to create a Ministry of the Sea, which would encompass the coordination of all the maritime activities. While not directly related to culture, the proposal is interesting because it shows the willingness, at least from a political level, to put the maritime domain at the cabinet-level. There are arguments against and in favor of this initiative, especially regarding how much power a ministry like this would involve, considering that the maritime activity encompasses several economic

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<sup>204</sup> Chilean Navy, *Our Horizon in the Pacific, the Oceanic vision of the Chilean Navy* (Valparaíso: Imprenta de la Armada, 2019), 93.

activities, culture, homeland defense, customs, and an extensive list of etc. Whether this initiative is finally approved or not, the sea seems to be acquiring a new status in society. What is significant about this news is not the discussion itself but the reasons under this recent surge of the importance of the maritime domain in society. In general terms, politicians from democratic regimes worldwide act under what they perceive as important for their represented population. It seems that society has developed a new approach to sea in recent years, one that is focused on sustainability and security. According to a recent poll, when asked about the country's security priorities, the statement “defend maritime interests” was the second most important for the experts, and the fifth for the public, considering that the top four were also related to maritime issues.<sup>205</sup> After all, it seems that the public institutions described previously have had accomplished their task of promoting the benefits from the sea. Also, the recent approval of different maritime protected areas, encompassing nearly 43% of Chile's total EEZ, has a very high level of approval. Perhaps, the way we measured maritime societies needs to be updated into a more comprehensive understanding. Although trade and the commercial use of the maritime domain will continue to be an important factor of the equation, how sustainable these activities are must also be considered. It seems that the future maritime society is turning greener.

## **Comments**

What is clear, though, as Andrew Lambert points out, is that a sea-orientated identity can be lost in a couple of generations, especially if your daily activities do not consider the sea as

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<sup>205</sup> Athenalab-Ipsos, “Perceptions on Foreign Policy and National Security, Second Survey,” (Santiago: 2021), 8.

vital.<sup>206</sup> While Chilean moves towards a more financial and service-based economy, like many other maritime societies, the sea seems to be seen as a means instead of an integral part of their lives, even in the former commercial elites. Perhaps we need to take a new approach in what is understood as a Maritime Society, considering how society, at least the Chilean one, is observing the maritime environment as an ecosystem that needs protection and supervision, a role that navies like the Chilean, have done for nearly two hundred years, adapting to the new scenarios and what society and government demands from it.

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<sup>206</sup> Andrew Lambert, *Seapowers States, Maritime Culture, Continental Empires, and the Conflict that made the Modern World* (London: Yale University Press, 2018), 11.



## **Chapter 5: The Chilean Navy**

“Chile is a seafaring nation; it was born, gained its independence, grew and consolidated itself as a nation through the sea.”<sup>207</sup>

The Chilean Navy opened a book to celebrate its bicentenary with this rather powerful statement. Implicitly, it suggests the role of the Navy during the building of the country. A well-respected institution within the Chilean society,<sup>208</sup> the Navy seems to be more than just a passive element of the country's military power. Since the beginning of the republic, its role has been broader than preventing or fighting wars; it has been an institution that has contributed to the country's development by actively promoting and using the maritime domain in its broad spectrum. From winning the nation's wars in one extreme to performing fishery patrols in the other, while also providing connectivity for the extreme geography of the country, Eastern Island, the Antarctic and, in the last decades, promoting the importance of this domain within the Chilean society. In recent decades, the Navy seems to have realized the importance of actively promoting the maritime domain's benefits to the country. As we will see, it has adapted itself to cope with the different challenges and demands from the Government as an institution. It has also developed a “narrative” to align the way it wants to be seen by society, understanding that the country's acceptance is the first step for any military organization and should not be taken for granted.

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<sup>207</sup> Armada de Chile, *Horizonte en el Pacífico. Visión oceánica de la Armada de Chile* (Valparaíso: Imprenta de la Armada, 2019), 132.

<sup>208</sup> The Navy has consistently been in the top three positions of polls over the last five years according to the national survey "Plaza Pública" available at <https://plazapublica.cl/encuestas/>

Considering that the Navy's purpose is to achieve the country's national objectives in the sea, its history, means, and organization should reflect the importance the Government attaches to the maritime domain. As this Chapter intends to demonstrate, the Navy has been more than just a military force. The ways the State has used this service through time reflect a maritime perspective rather than a land-centric one, even during those times in history, where the Government had adopted a more inward-looking approach. To demonstrate these statements, this Chapter will be divided into two parts. The first one explains, from a historical perspective, the Navy's contribution to the country, while the second part describes the actual service more comprehensively as an organization that influences the maritime domain to achieve the national objectives.

### **The Chilean Navy in history**

During the Spanish ruling period, all maritime trade was tightly controlled by the Spanish Crown, which saw it as a possible source of emancipation.<sup>209</sup> Consequently, there was practically no skilled sailor when the country became an independent nation, and many Chileans were unaware of the importance of the control of the sea to avoid a Spanish or any other invasion, most likely one from the sea, considering the geography and natural borders of the country, as we saw in Chapter 2.

The independence process began on September 18, 1810 and lasted eight years until Spanish forces finally capitulated. This campaign was a long land one, with clashes between royalists and emancipating troops, winning and losing. During this period, Chile acquired two small brigantines, the *Perla* and the *Potrillo*, as the first indication of an intention to raise

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<sup>209</sup> Barros Arana, *Historia de Chile*, Tomo V (Santiago: Editorial Universitaria, 2000), 79.

a Navy. Because of the lack of skilled sailors, they were manned by a mixed crew of several nationalities and a combination of Chilean and North American officers.<sup>210</sup> Unfortunately, both ships were lost when fighting against larger Spanish frigates. Interestingly though, is the fact that the Government decided to invest in acquiring those ships, using them to blockade Talcahuano, a royalist port approximately 500 miles south of Valparaiso, to prevent reinforcements from Chiloé and Callao, another Spanish stronghold of the area.<sup>211</sup> With the loss of these units, however, there were no important further effort to build a Navy until the end of the emancipation process.

It was only in 1817, with the final defeat of the Spanish in the central region of Chile (the Spanish still had strongholds to the south, in Talcahuano, Valdivia, and Chiloé), when the history of the Chilean Navy began. As we saw in Chapter 1, General Bernardo O'Higgins became the head of the Government, and he had two clear objectives in mind. The first was that Spain might always threaten the new nation if Chile did not control the South Pacific. Second, the country's economic survival depended on its ability to trade with other nations and considering its geography; this trade should be performed by sea. Both objectives required a national fleet.

The *Aguila*, a former Spanish brigantine taken by surprise in Valparaiso in 1817, was the first ship to sail under the Chilean flag. Unsurprisingly, it was commanded by an Irishman, Lieutenant Reinaldo Morris. Later, the first proper frigate arrived at the country, the *Windham*, a former East Indian Company ship, renamed *Lautaro*, under the command of George O'Brien, an ex-Royal Navy officer. This ship was acquired by a special agent sent by O'Higgins to Europe to buy ships and recruit sailors. The first crews

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<sup>210</sup> Barros Arana, *Historia de Chile*, Tomo IX, 81.

<sup>211</sup> *Ibid.*, 61.

were composed of over 100 foreigners and 250 Chilean seamen.<sup>212</sup> The first Commander-in-Chief of this small fleet was Manuel Blanco Encalada, a Chilean citizen that previously served in the Spanish Navy, who saw his first action capturing the Spanish frigate *María Isabel*. O'Higgins coined his views in a single statement when this small fleet first departed: "Three ships gave Spain the Americas, these four will take it away from them."<sup>213</sup>

Understanding the importance of the task, O'Higgins also hired the services of Lord Thomas Alexander Cochrane as head of the service. The transition from a small fleet into a proper naval service began in August 1819, with a decree embargoing all privateers and their crews in Valparaíso and transferring them to the State.<sup>214</sup> O'Higgins did not think of a short-life Navy; rather, by creating the Naval Academy in 1818 and passing laws to organize the institution, he was building foundations that would support a permanent sea service.

Cochrane's task was far from easy; his main problem was the crews "composed, as in any foreign legion, of a multitude of mercenary men, without ties to unite them, without principles, and always disposed to insubordination."<sup>215</sup> However, O'Higgins made all the possible efforts to supply Cochrane with the best he could find, using states resources and loans to achieve this goal. For O'Higgins, the end was clear, command of the seas was the country's top priority.<sup>216</sup> Cochrane conducted some of the more strategic offensive

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<sup>212</sup> David John Cubitt, *Lord Cochrane, and the Chilean Navy, 1818-1823* (Edinburgh: University of Edinburgh, 1973), 48.

<sup>213</sup> Armada de Chile, Bernardo O'Higgins y el Mar de Chile, <https://www.armada.cl/armada/tradicion-e-historia/archivos-historicos/bernardo-o-higgins-y-el-mar-de-chile/2014-05-16/153406.html>

<sup>214</sup> Ministerio de Marina, vol 15. Decreto gubernamental, 3rd August 1818.

<sup>215</sup> Claudio Gay, *Historia de la Independencia de Chile* (Paris: Thunot & Co., 1856), 375.

<sup>216</sup> *Ibid.*, 374.

campaigns during the post-independence period.<sup>217</sup> He defeated the strongholds of Corral and Valdivia through amphibious operations, although both were considered invulnerable. He blockaded Callao, the Viceroy stronghold in Perú, and commanded the Fleet to liberate Perú from Spanish rule, all these actions in three years. Cochrane's voyages took the Chilean Navy up to the coast of Acapulco, always pursuing the task he was given to eradicate Spanish shipping in the Pacific.<sup>218</sup> Cochrane's offensive use of the Navy in enemy territory would remain as a during the future naval behavior of the service.

Unfortunately, the maritime oriented vision of O'Higgins and Cochrane came to an end when Cochrane decided to leave the country in 1823, soon followed by O'Higgins, because of its political instability created by the social reforms of the latter that alienated power from the landlords, the most powerful groups in Chilean society.<sup>219</sup> Unsurprisingly, the costly fleet was laid up and disarmed, and the officers were to go on leave at half-pay.<sup>220</sup>

In the 1830s, the political situation stabilized. Under the guidance of Minister Diego Portales, maritime trade became a priority, and it was seen as essential to develop the merchant marine and the ports. Portales, without any formal naval education, intuitively understood the role of the Navy as protector of maritime trade and as a useful tool of national power. In a letter to a friend, he argued that having a warship was more important than an Army because the latter did not prevent the assaults from privateers, while the first was a tool

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<sup>217</sup> Richard Kouyoumdjian, "The Chilean Navy as a case study in the value and performance of medium and small naval powers in South America," *Corbett Paper N°20*, August 2018, 2.

<sup>218</sup> Thomas Lord Cochrane, *The Life of Thomas Cochrane, Ten Earl of Dundonald*, (London: 1869).

<sup>219</sup> David John Cubitt, *Lord Cochrane and the Chilean Navy, 1818-1823*, 326.

<sup>220</sup> Armada de Chile, Bernardo O'Higgins y el Mar de Chile, <https://www.armada.cl/armada/tradicion-e-historia/archivos-historicos/bernardo-o-higgins-y-el-mar-de-chile/2014-05-16/153406.html>

that signalled to the country and other nations the will to protect in Chile, or abroad, its interest.<sup>221</sup>

In the early 1830s, facing the creation of the Peru-Bolivian Confederation, Portales saw a source of conflict that would affect Chile's leading role in the region and the South Pacific. He convinced Congress to declare war against the newly created coalition using all his influences as a minister. As we saw in Chapter 1, in a letter to the Commander-in-Chief of the expedition, he expressed his views about the importance of the naval service, not just merely as a military tool, but as a vital element in support of the country's strategic objective of using trade to improve the nation's wealth and geopolitical stature; a very Mahanian concept only told nearly 70 years earlier.

Although with fewer ships than the coalition, the Chilean Navy had more capable and experienced crews, many of them veterans from Cochrane's era. The Navy gained control of the sea, allowing the Army, transported by sea, to achieve the final victory at the battle of Yungay in Perú. During this campaign, Portales was assassinated by a group of Army rebels, who resented Portales views on trade and society.<sup>222</sup> Portales, as well as O'Higgins a few years earlier, was setting the basis for a new social class, the traders, that was challenging the old landlord system. This conflict gave Chile control of the South Pacific by eliminating its only possible competitor, Perú.

Although the country had already felt the consequences of disbanding the Fleet, the Government decided to do it for a second time, reducing it to the minimum. The reasons argued by the then Minister of War and Navy were that after the war was finished, the

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<sup>221</sup> Diego Portales to Antonio Garfias, March 28, 1832, <https://historiachilexudla.wordpress.com/2008/09/03/epistolario-de-diego-portales/>

<sup>222</sup> Sergio Villalobos, *Portales, una falsificación histórica* (Santiago: Editorial Universitaria, 2005), 206.

excessive number of ships for a peace period would mean several extra costs. He proposed reducing its numbers to the minimum necessary to perform coastal defense, communications with the southern territories, and protection of commerce, but in the Minister's view, this could be performed with a couple of ships; moreover, instead of disarming and put in storage the captured enemy vessels, the Government decided to give them back to Perú,<sup>223</sup> something that Portales, if alive, would have certainly opposed. While it is understandable that countries need to balance defence budget with other needs -a fact that will probably continue in the future- an interesting lesson from this period is the real ability of ships to perform all the tasks assigned by the Government. Today, Chile uses the term "polyvalency" to assign a number of duties that platforms can perform, and, although it is true that a frigate might do several duties, from warfighting to patrolling the EEZ, it seems relatively rare the occasion when a single platform can perform them all. It might not be sound for them to sacrifice numbers for technology and capabilities. In terms of numbers and capabilities, a balanced Fleet of ships with differing capabilities seems to be a better answer.

Although abandoning the Fleet, international trade flourished during this period, using Portales's established Fiscal Warehouses in Valparaiso. During this time, the Navy contributed to the consolidation of the country by connecting the central part of the country with the south and by controlling the water spaces of the Strait of Magellan, which was considered Chilean at that time by colonial titles of ownership, but without any formal settlements.<sup>224</sup>

In 1843, the Navy finally took possession of the strait. Under the command of a former Royal Navy officer, John Williams, the schooner *Ancud* departed from Chiloé with a crew

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<sup>223</sup> Ministerio de Guerra y Marina, *Memoria del Ministro de Estado al Congreso Nacional*, 1839, 16.

<sup>224</sup> *Ibid.*, 17.

of nine men, complemented by eight members of the future garrison of the fort to be founded *Fuerte Bulnes*. It is interesting to see that the Government sent only seventeen men and a small yacht to perform this task, considering that since the O'Higgins's tenure, the country has had in mind the annexation of such a strategic chokepoint. The French frigate *Phaeton* arrived only three days later, with the same task of seizing the straits for the French government.<sup>225</sup>

In 1864, the Minister for War and Navy made a statement to Congress on what he sought the Navy should be; "a country as Chile should balance the maintenance of an adequate Navy, considering its geography with the national income. The Navy must execute various services, where war and combat do not occupy a unique and exclusive place."<sup>226</sup> In this statement, Minister Antonio Varas was early describing which kind of service the Navy would come to be in the next century. In the meantime, the Pacific was again under Spanish menace.

The Spanish Crown recognized Chile as a sovereign nation in 1865, but not Perú. The purpose of the Spanish Fleet was to protect the Crown's interest in the region and foster good relations with the new governments. For this purpose, they visited the most important cities from California to Chile. However, in their eyes, the Spanish population was not being well treated, especially in Perú. For these reasons, they took possession of a small group of islands near the Peruvian coast, important for the local economy. Embedded in the new Americanism, Chile opposed Spanish actions, declaring war against Spain. The Commander-in-Chief of the Spanish Fleet, Admiral Pareja explained, in a series of letters to the Chilean Ministry of Foreign Affairs, the reasons for his actions, demonstrating how unfair Chile had

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<sup>225</sup> Nicolás Anrique, *Diario de la Goleta "Ancud," 1843*, (Santiago:1901), 121.

<sup>226</sup> Ministerio de Guerra y Marina, *Memoria del Ministro de Estado al Congreso Nacional, 1856*, 10.



been towards the Crown, and that even though he saw Chile as a friendly country, his orders were clear to act against any hostility.<sup>227</sup>

Chile declared war with only two ships, the relatively new corvette *Esmeralda*, with twenty guns, and the transport *Maipú*, with four guns. The Spanish Fleet consisted of eight ships, six of them modern frigates and two gunboats, with the combined firepower of 270 guns.<sup>228</sup> Recognizing this weakness, the Chilean Congress authorized the investment of an important sum of money to build or acquire ships in Europe and the US and commission them to harass the Spanish commerce in the Caribbean, the latter actions without much success.<sup>229</sup>

During this period, two naval actions took place: the capture of the Spanish gunboat *Virgen de la Covadonga* and an indecisive gunnery exchange in the southern part of the country. The most important naval action came from the Spanish; they projected their power to land in the most successful way, they bombed Valparaíso, aiming at the fiscal warehouses, one of the most important sources of income from the country, and critical infrastructures such as the governorship and railway stations. The effects were devastating for the country's economy, which took nearly ten years to recover.<sup>230</sup>

Contrary to the general idea that the Navy didn't produce a fleet immediately after the events,<sup>231</sup> the Ministry of War and Navy report to Congress of the years 1866, 1867, and 1868 gave evidence on how important it was for the Government to build a credible force to prevent such disasters as the bombing of Valparaíso. At the beginning of the war, the lack of

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<sup>227</sup> José Manuel Pareja, *Cartas del jefe de la Escuadra Española al Ministro de Relaciones Exteriores de Chile*, Septiembre 17, 1865, Letter N°2, 4-8.

<sup>228</sup> Ministerio de Guerra y Marina, *Memoria del Ministro de Estado al Congreso Nacional*, 1866, 5-6.

<sup>229</sup> *Ibid.*, 8-9.

<sup>230</sup> Kenneth Pugh, "Guerra Contra España, A 150 Años de una Lección Aprendida", *Revista de Marina* N°2 (2016), 12-13.

<sup>231</sup> Kouyoumdjian, *The Chilean Navy*, 4.

crews was acknowledged, and several offices were created along the major cities to recruit sailors.<sup>232</sup> Also, the enlisted school was permanently established in one pontoon to provide permanent and, most important, professional crews for the Navy and the merchant marine.<sup>233</sup> During the war, there was an effort to build two ironclads in France, but the initiative failed due to problems in the French shipyards; the Government then proposed to the British Government to build two ironclads,<sup>234</sup> which would arrive to Chile in 1874. Two new corvettes were also added to the Fleet, which in 1869 was composed of twelve ships, six dedicated to the military actions, and six transport ships used as auxiliaries to perform other duties and to transport troops when needed.<sup>235</sup> The Ministry also passed a decree making naval exercises compulsory, to be performed at least once a month, to train crews in seamanship and artillery exercises.<sup>236</sup>

The Navy improved naval education during the interwar period by sending young officers to train the Royal Navy, the French, and the German Navies.<sup>237</sup> The country experienced tensions with Argentina in 1878 due to the vast region of Patagonia and the Strait of Magellan. The tension escalated when Chilean naval units showed the flag in these contested waters. The Chilean government responded by sending the gunboat *Covadonga* to the area, while the rest of the Fleet moved south to refill their bunkers. The Fierro-Sarratea pact partly settled the dispute, although it would bring more problems in the future.<sup>238</sup> The importance of this crisis is that the Government, during the negotiation, as we saw in Chapter

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<sup>232</sup> Ministerio de Guerra y Marina, *Memoria del Ministro de Estado al Congreso Nacional*, 1868, 9-10.

<sup>233</sup> *Ibid.*, 6-7.

<sup>234</sup> *Ibid.*, 25.

<sup>235</sup> *Ibid.*, 23.

<sup>236</sup> *Ibid.*, 10.

<sup>237</sup> Ministerio de Guerra y Marina, *Memoria del Ministro de Estado al Congreso Nacional*, 1878, 20.

<sup>238</sup> Armada de Chile, *Escuadra Nacional* (Santiago: Banco Santander, 2018), 118.

2, decided that keeping the Magellan Strait as a strategic passageway was more important than retaining the lands of Patagonia that were ceded to Argentina.

The *Guerra del Pacífico* (1879-1884) was the next and largest conflict where the Navy was involved. The origins of this conflict between Chile and an alliance between Perú and Bolivia were the distribution of the revenues of the nitrate extraction in the Bolivian territories by Chilean corporations. Chile used its naval assets offensively by blockading the then Peruvian port of Iquique to protect the nation's interest in the area, followed by the declaration of war from Bolivia, which was later answered by Chile, declaring war not only to Bolivia but also to Perú, after discovering that they had a secret alliance.

The initial campaign was almost entirely maritime. The Government's strategy was to defeat the allied forces by attacking the Peruvian stronghold in Callao, the most important military port of the coalition; however, due to a delay in the departure, when the Fleet arrived, the Peruvian ships had already departed southwards, to the Peruvian port of Iquique, that was blocked by the two weakest ships of the Chilean Fleet, left behind because they were old when compared to the rest of the ships, and their armament was unable to defeat newer ironclads. The *Huascar* and the *Independencia*, the two most powerful Peruvian ships, fought against the *Esmeralda* and *Covadonga* on May 21, 1879. In the first case, the *Huascar* sunk the old Chilean corvette; however, Commander Arturo Prat, captain of the *Esmeralda*, became a naval hero by his example during the battle, never surrendering his ship, and boarding the enemy during a ramming.<sup>239</sup> The combat lasted for three hours, and most of the crew was lost in action or drowned when the ship sunk after being rammed three times. Prat set the course for the new generations of sailors and became a national hero.<sup>240</sup> While this

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<sup>239</sup> Kouyoumdjian, *The Chilean Navy*, 4.

<sup>240</sup> Ministerio de Guerra y Marina, *Memoria del Ministro de Estado al Congreso Nacional, 1879*, 28-30.

was happening in Iquique, the gunboat *Covadonga* provoked the running aground of the Peruvian armored frigate *Independencia*, finishing it by gunnery, making the allied Fleet lose its second most powerful ship.<sup>241</sup>

The lonely *Huascar*, successfully acting as a coastal raider after Iquique, was finally captured in October of the same year, destroying Perú's capabilities of disputing the sea and allowing the Chilean Navy to transport the Chilean troops in uncontested waters.<sup>242</sup>

The joint force conducted an opposed amphibious operation in the Peruvian port of Pisagua, landing more than 9000 soldiers, effectively dividing the main enemy armies.<sup>243</sup> The Navy would exercise control of the sea to support the Army in the conquest of the Peruvian capital, Lima. In support of the joint operations, the Navy went as far as to disassemble a torpedo boat and sent it by train to the Titicaca Lake in Bolivia, where it patrolled during the rest of the conflict those waters to prevent logistic support to the enemy armies.<sup>244</sup>

The lessons learned from the Spanish conflict prevented the dismantling of the Fleet after the war; quite the opposite, the Government decided to renew it. Public money raisings were used to build a new *Esmeralda* and replace the one sunk at Iquique.

From the Cochrane era to the end of the war with Perú and Bolivia, the Navy acted in a relatively similar pattern; it was generally used offensively, disputing the control of the sea and then transporting and supporting the Army in the enemy territory. Even though the term "joint" was not used yet, the close collaboration between the Army and the Navy allowed,

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<sup>241</sup> Ibid., 31-36.

<sup>242</sup> Ministerio de Guerra y Marina, *Memoria del Ministro de Estado al Congreso Nacional, 1880*, 12-15.

<sup>243</sup> Juan Agustín Rodríguez, "Desembarco de Pisagua", *Revista de Marina* N° 6 (1976), 1,2.

<sup>244</sup> Luis Burboa Pacheco, "El día en que una torpedera de la Armada operó en el lago Titicaca", *Revista de Marina* N°6 (2017), 86-87.

among other reasons, victory in the country's war in a way that resembles more a maritime power than a continental one. Unfortunately for the country, the importance of having a Navy that operated closely with the Army was again proved during the country's Civil War in 1891, caused by political differences between the Executive branch and the Parliament. Most of the Navy sided with Congress while the largest part of the Army remained loyal to the President. While both sides had trained armies, veterans from the last conflict, it was the Congress who controlled the Navy and, consequently, not only controlled the sea but also exploited its attributes, choosing where and when to disembark its troops. After a series of battles, the Congress side won the war. Although one of the ironclads was sunk by a torpedo boat attack, the country learned an important lesson and, by the end of the century, the Chilean Navy was rated 8<sup>th</sup> in importance worldwide.<sup>245</sup>

Compared to the country's size, this rather powerful Navy remained the same until the global depression of 1930, where the country, dependent on commodities, was economically struck. This period was politically unstable, and thus, the Navy suffered from a lack of funds to operate. Nevertheless, with great efforts, the Government acquired two new dreadnought battleships in the UK that were seized during the First World War by the Royal Navy, one named HMS *Canada* and the second, HMS *Eagle*, the latter to be converted into an aircraft carrier. At the end of the war, only *Canada* returned to Chile as the *Latorre*, the most powerful ship in South America until the 1950s.<sup>246</sup> During this century, the core of the Fleet was mainly composed of surplus units, first from the US Navy and after from Royal Navy ships. The only exemption was the submarines, some frigates, and destroyers acquired new in the United Kingdom.

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<sup>245</sup> Renato Valenzuela, "Buques de guerra chilenos, 1850 – 1950," *Revista de Marina* N°2, (2018), 79.

<sup>246</sup> Gerald Wood, "El acorazado 'Almirante Latorre'", en *Revista de Marina*, N° 3, (1988): 4-5.

In 1978, another crisis went off with Argentina due to its refusal to accept the result of a British arbitration over the Beagle, requested by both sides in 1971. The Chilean Fleet, smaller than her counterpart, which had an aircraft carrier, was able to deter Argentina when the Chileans crossed the psychological border and sailed towards the Atlantic.<sup>247</sup> This Argentinian Fleet would be the same one that four years later would confront the Royal Navy over the Falkland Islands.

At the beginning of the 21st Century, considering the economic boom of the country that had opened its economy to free trade, the Government made a major investment in the Navy and renewed the surface fleet, an important part of the submarine force, the naval aviation, and the marines. The amphibious capabilities were boosted with the incorporation of amphibious assault units and the reorganization of the marines into an expeditionary brigade. This Navy upgrade was due to a revitalization of Chile as part of the international community, and thus, collaborative armed forces were required. The country began with massive peacekeeping operations in Haiti, using naval assets to transport them. During this time, the Commander-in Chief ordered that all fleet operations be performed in English, understanding that this fleet would operate integrated into coalitions in the future.

The Fleet began to be used in support of the Foreign Service in areas strategic for the nation. For example, considering that the country is the third user of the Panama Canal, in the early 1990s, the Navy created the exercise PANAMAX, together with the United States and Panama, to defend the canal in case of aggression.<sup>248</sup> In the mid-1990s, the Navy refocused its strategic focus on the West Pacific, understanding its importance for the

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<sup>247</sup> Patricia Arancibia and Francisco Bulnes, *La Escuadra en Acción* (Santiago: Catalonia, 2017).

<sup>248</sup> Julián Maldonado, "La Armada al servicio de la Política Exterior en el Pacífico," *Revista de Marina* N°5 (2015), 31.

national economy, thus joining the exercise RIMPAC and being the first non-English speaking country to perform as the Naval Component Commander.

Perhaps the perception of the decrease of influence from the US, one of the country's largest strategic allies, and the rise of China's influence in Latin America, Chile's largest trading partner, has shaped the way the Chilean Navy has been looking for partners and liked-minded countries within the region. Interestingly, these countries are not within their neighbors but on the other side of the Pacific. In the late 2010s the Navy demonstrated interest in KAKADU exercise, hosted by the Australian and New Zealand Navy, considering the importance of the Southeast Asia region for the Chilean economy. The Chilean Navy recently bought two former RAN ships to boost the anti-air warfare capability of the fleet, and it has also partnered with Australia and Canada to man the headquarters during RIMPAC. The indicated understanding of the importance of the stability of the South Pacific for trade, not just in the military domain, but in a more comprehensive way; the prevention of illegal fishing and other illicit activities, for example, has put the focus again in the constabulary role of the service, something that has been in the DNA of the service since its beginning.

### **The Chilean Navy as a Maritime Force**

But the Chilean Navy does not perform only a military role; since its foundation, it was designated as the only institution with constabulary attribution within the maritime domain. In 1848, the Government passed a law defining the country's maritime territory, creating eleven maritime regions, all of them dependent on the Commander-in-Chief. Additionally, the law defined jurisdictional limits and constabulary powers for the authorities responsible for ensuring the safety of shipping along the coast. This new framework gave the bases to

the Directorate of the Maritime Territory, the constabulary force of the Navy that exists until today.<sup>249</sup>

In 1856, before the war against Spain, the Minister of War and Navy argued to the President that Navy ships should be used in tasks other than war, setting the condition for trade and connectivity of the country. He insisted that ships should be able to set the security conditions for the sea lanes of communications, to provide connectivity with the southern colonies,<sup>250</sup> and deter pirates and smugglers, among other tasks such as hydrographic research.<sup>251</sup> The problem, though, was putting the means to these ends. The Minister argued that this could be done with only a couple of ships. After 1866, the Government decided to maintain a fleet of twelve ships, half of them ready for wartime actions and the rest for the other roles. In reality, the flexibility of these ships allowed them to alternate between these tasks.<sup>252</sup>

The report from the Ministers of War and Navy to the Parliament depicts the growing roles for the Navy and how the State began to think in a more maritime way rather than purely naval. The first records of these reports began in 1836, focusing on the Army and the Navy. In 1849, the former Ministry was split, and the Secretary of the Navy was created. The same year, the report considered the national merchant marine list and its condition.<sup>253</sup> In 1853 the term “maritime territory” was coined and added as a chapter within these reports. Apart from the warfighting ships, this section gathered all the constabulary elements of the Navy; the

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<sup>249</sup> “Historia Directemar,” Armada de Chile, last updated May 2020,

<https://www.directemar.cl/directemar/organizacion/historia-del-servicio/historia-del-servicio>

<sup>250</sup> The Government officially called colonies to all the settlements near the Magellan Strait. This denomination stood until the beginning of the twentieth century.

<sup>251</sup> Ministerio de Guerra y Marina, *Memoria del Ministro de Estado al Congreso Nacional*, 1856, 10.

<sup>252</sup> Ministerio de Guerra y Marina, *Memoria del Ministro de Estado al Congreso Nacional*, 1868, 23.

<sup>253</sup> Ministerio de Guerra y Marina, *Memoria del Ministro de Estado al Congreso Nacional*, 1849, 12.



lighthouses, the efforts to integrate the territory, and the conditions of the different ports; even the merchant marine was included in 1880. Despite all these changes, and the understanding that the Navy was far more than military service, it was not until 1953 that the Government created a new branch within the Navy, the *Dirección General del Territorio Marítimo y Marina Mercante (DGTM)*.<sup>254</sup> The DGTM operated and still does, as a semi-autonomous element of the Navy, tasked with the technical supervision of the *Gobernaciones Marítimas*, the regional maritime authorities, traditionally responsible for every aspect of the maritime workforce of the Navy, except for the warfighting units.

The roles performed by the Navy expanded during this period from deterrence up to search and rescue; the spectrum of activities that the maritime forces had to perform exponentially increased during the late twentieth century with the revitalization of international trade, the scientific interest in Antarctica, and also, by malign actors that performed activities such as illegal fisheries, drug traffic, and other illicit in the South Pacific. With these new challenges, another technical requirement also raised, such as better navigational aids, especially in the southern channels, improved navigational charts, meteorological support to the maritime community, and even more control and supervision of the beaches, that by law, are tasked to the constabulary element of the Navy rather than to the police.

To organize all the means required to perform these tasks and adapt to the new societal challenges, the Navy introduced the concept of mission areas, first, within the institution, and after some years in the Ministry of Defense, and hence, in the rest of the

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<sup>254</sup> Directorate of Maritime Territory and Merchant Marine, an equivalent to a Coast Guard service.

services.<sup>255</sup> In a way, this approach is very similar to what Professor Geoffrey Till defines as “post-modern Navies.”<sup>256</sup> The service does not have only a military role; while warfighting capabilities remain at the service core, the Navy is employed much wider. Basically, the mission areas describe the Navy's contribution to different aspects of national and international activities, from defense to science. Although the Navy originally used it, the Ministry of Defense decided to adapt them to all the services. For the ministry, “...mission areas correspond to general and interrelated mission groups assigned to national defense institutions by different legal or regulatory bodies in the country. Comparative experience indicates that mission areas that are stable over time and in a limited amount should be defined to avoid becoming more complex.”<sup>257</sup> The mission area seems to be a reinterpretation of Ken Booth's classical triangle of naval roles.<sup>258</sup> While Booth introduced three classic roles, the Navy and the government later adapted them to suit the more complex scenarios. The areas defined by the Navy are Defense, International Cooperation, Contribution in National Emergencies, contribution to the development of the Nation, and Maritime Interests. They illustrate the variety of the tasks that the Navy perform other than defense only, they are:<sup>259</sup>

(a) Defense: This is the most visible task of the Navy. Naval power allows the Navy to deter a foreign military force against the country, its population, sovereignty, and territorial integrity and prevent any act affecting national interests and property. It also includes monitoring, planning, and training necessary for carrying out the tasks efficiently. To fulfill this area of mission, the institution maintains its training and capabilities, both at the

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<sup>255</sup> Ricardo Chifelle, “Áreas de Misión de la Armada,” *Revista de Marina* N°5 (2017), 8.

<sup>256</sup> Geoffrey Till, *Seapower, A Guide to the Twenty-First Century* (New York: Routledge, 2018), 48.

<sup>257</sup> Ministerio de Defensa Nacional, *Libro de la Defensa Nacional* (Santiago: Ministerio de Defensa Nacional, 2017), 114.

<sup>258</sup> Ken Booth. *Navies and Foreign Policy (Routledge Revivals)*. (Oxon: Routledge Revivals, 2014), 6.

<sup>259</sup> Ministerio de Defensa Nacional, *Libro de la Defensa Nacional*, 284.

institutional and joint level, participating in the exercises planned by the Joint Chiefs of Staff and the specific training periods carried out in the different geographical areas of the country.

(b) International Cooperation: This task is related to the contribution of the Navy to Foreign relations. The Navy carries out international cooperation operations of various kinds under government guidance. It is done via participation in international exercises and meetings, collaborating to implement international treaties assumed by Chile or by performing international operations. Today, this is performed by participating in United Nations peacekeeping missions and participating in multinational exercises such as PANAMAX and RIMPAC. It is worth noting two efforts the Navy took to improve its ability to work collaboratively. First, in early 2000 the Navy decided to perform all its operations in English, a difficult task for Latin-American countries. Second, it has systematically acquired ships and equipment that allows interoperability with the US or NATO standard countries.

(c) National Emergency and Civil Protection: This is perhaps the most visible contribution of the Navy to society in the eyes of the civilian population. Considering the geographical characteristics of the country, it is permanently exposed to natural disasters, such as earthquakes, tsunamis, wildfires, volcanic eruptions, or flooding. The Navy contributes by running the *Sistema Nacional de Alerta de Maremotos*<sup>260</sup>, an office within the Hydrographic Service in charge of advising the occurrence of tsunamis within the Chilean coasts. But the Navy also uses its assets to support the population in those areas with difficult access from land, a tradition that comes from the Portales era. The so-called polyvalence of its units allows, for example, to use the amphibious ships as hospitals when necessary. In the event

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<sup>260</sup> A tsunami early warning system that was heavily updated after a 2010 tsunami that affected the middle south of Chile.

of a catastrophe, the Navy contributes to the response efforts, with medical assistance, humanitarian aid, evacuation, and maritime transport to the affected communities, by exploiting its unique ability to access remote areas, where no other service can reach with the same scale.

d) Contribution to the National Development: This is one of the oldest tasks assigned to naval forces other than the warfighting role. As we saw at the beginning of this Chapter, the Government employed as early as 1860 Navy ships to connect those isolated areas of the country with the industrial centers, particularly the southern part of the country. Today the Navy carries out maritime transport to isolated areas, connecting the country. Also, it performs medical-dental operatives and evacuations through naval or aeronautical means in coordination with the Ministry of Health. From an economic perspective, the Navy encourages economic development through its shipyards, ASMAR,<sup>261</sup> which bring direct benefits in skilled labor, industrial capacity, and technological transfer to the country. The Navy employs some of its platforms to support scientific activities, especially oceanographic, to study climatic phenomena and species sampling. In recent years, the service revealed its “Continuous National Shipbuilding Program” aimed to promote the national shipbuilding industry, starting with auxiliary units and eventually building frigates for the Fleet.<sup>262</sup> Considering its magnitude, the program was socialized to the public and Government as a national enterprise rather than a single service program. To make it more convincing, one of the most important universities in Chile studied the feasibility of the program, and their results were exposed in seminars and cabinet meetings.

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<sup>261</sup> ASMAR: Astilleros y Maestranzas de la Armada.

<sup>262</sup> Fernando Le Dantec, “Un plan nacional continuo de construcción naval” *Revista de Marina* N°5 (2021), 22.

(e) Maritime Interests: Before explaining this role, it seems important to define the slightly ambiguous concept of maritime interest. Carlos Valderrama, a former Dean of the Chilean Naval War College, defined them as “the benefits that a nation obtains from all the activities related with the use of the sea and the resources that the sea provides by exploiting it.”<sup>263</sup> Chile, by law, has assigned the Navy the task of control, safeguarding human life at sea and promoting national maritime interests. As we saw earlier in this Chapter, the Navy assumed that task by creating a semi-autonomous branch, the *Servicio del Litoral*, that provides the legal and operational framework to provide the task within the naval service. While this branch has some assets to perform these tasks, the Navy supports this constabulary service with all its necessary assets, including MPA, frigates, and even submarines. Therefore, the Navy provides a constabulary service that performs tasks related to maritime protection and safety, maritime protection, and public safety in the coasts, including beaches and harbors, according to the Constitution and the laws. The Navy performs these tasks in the sea, lakes, rivers, and search and rescue responsibility area (SAR) assigned to Chile by international convention.

Today's Navy is part of the Ministry of Defense, along with the Army and the Air Force. In terms of budget, it is second to the Army, as well as in personnel.<sup>264</sup> As we discussed in Chapter 2, although the country has behaved as a geopolitical island for most of its existence due to its geographical characteristics, it still needs a rather large Army to protect its borders, especially the new ones created after the War of the Pacific. Due to this factor, it is highly unlikely that the Navy will become in the near future the largest military force,

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<sup>263</sup> Carlos Valderrama, “Los intereses marítimos nacionales”, en *Revista de Marina* N°2 (2015), 17

<sup>264</sup> Ministerio de Defensa Nacional, *Libro de la Defensa Nacional*, 222-24.

despite being the only service that also provides constabulary elements, to control the largest part of the country, its EEZ, that is nearly five times larger than the land.<sup>265</sup>

In recent years, Chile has declared nearly 50% of its EEZ as marine protected conservation areas,<sup>266</sup> including areas as far as Rapa Nui and in the Drake Passage. Today, these areas remain partly isolated from foreigners, but the overexploitation of fish stocks by overseas fishing fleets, for example, with the Chinese fleet near the Galapagos Islands in 2019, has moved international fishing fleets towards the border of the Chilean EEZ. Deterrence, for this case, relies not on the capability of satellites or MPA's but on the physical presence of capable naval vessels to perform the constabulary role.

Fortunately, the Navy has been preparing the public for these new challenges. Perhaps one good example of how the Navy has been continuously reminding the Government and society about the importance of the sea was the creation of the “*Mes del Mar*” in 1974. Originally thought to remind us about the importance of actions of Arturo Prat and the *Esmeralda* in Iquique, it evolved to celebrate Chile's maritime heritage in a comprehensive way and to remind society of the importance of the seas for the welfare of the Nation. It seems that this rather bottom-up effort is showing results; the Ministry of Education, supported by the Navy, incorporated the concept in its curriculum, and on its web page, students from all ages can find different resources of the maritime domain, not just from a historical perspective, but in a comprehensive way, which includes art, science, literature,

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<sup>265</sup> Ministerio de Relaciones Exteriores, *Mares de Chile, Visión 2040* (Santiago: Ministerio de relaciones Exteriores, 2019), 5.  
[https://minrel.gob.cl/minrel/site/artic/20200124/asocfile/20200124155321/mares\\_de\\_chile\\_\\_vision\\_2040.pdf](https://minrel.gob.cl/minrel/site/artic/20200124/asocfile/20200124155321/mares_de_chile__vision_2040.pdf)

<sup>266</sup> Ibid., 6.

and games.<sup>267</sup> This approach might ease the always challenging task of explaining to society why the country needs to keep investing in a Navy.

## **Comments**

The Navy, as a service, adapted itself to cope with the country's new requirement, flexibility that remains until these days. Since the mid-19<sup>th</sup> century, the Chilean Navy has been both a navy and a Coast Guard service, also performing a constabulary role in jurisdictional waters. Flexibility, however, comes at a cost. A real challenge for the Navy is to have a “balanced” fleet that can provide both a credible deterrence force that can operate systemically with other naval forces in a collaborative way and an effective maritime service to deal with the daily challenges of illicit such as narcotraffic, illegal fishing and even protection of the populations against natural events, such as tsunamis. All of this, as expected, with a rather restrictive budget that competes with the other services. Although the importance of the contribution of the maritime domain for the country, especially from the economic perspective, it is still difficult to explain to the public that perhaps the largest contribution from the Navy comes in times of peace, preserving the good order at sea. After all, to remain competitive, the Nation relies on open and secure sea lanes, being so far from its trading partners.

The Chilean Navy appears to have understood that the only way to secure these lanes is through a cooperative strategy. Consequently, it has developed a force equipped, designed, and trained to act mostly in coalitions. The constant participation in joint maritime exercises such as RIMPAC and PANAMAX aim to protect vital interoceanic passages, which shows the country's willingness to support and protect international trade.

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<sup>267</sup> <https://www.curriculumnacional.cl/estudiantes/Aprendo-en-linea/Armada-de-Chile/177497:Recursos-de-la-Armada-de-Chile!alt>

While it remains to be seen if the Government decides to embrace a more maritime approach finally, what appears to be clear is that it has invested throughout its history resources that have been able to keep a balanced Navy. This service has also adapted to the challenging scenarios of the 21<sup>st</sup> Century where the maritime domain will continue to be as vital as it had been in the past. It seems rather clear that the service will continue to evolve to protect Chile's maritime interests and actively promote them within society to improve the Nation's wealth and welfare.



## **Chapter 6: Final thoughts**

We began this research with one purpose in mind, to determine the maritime condition of Chile and its scale. This essay tried to give a comprehensive answer to the question through the lenses of five different elements -policy, economics, society, geography, and the Navy. It was necessary to analyze all these elements, considering that, at least in Chile, there seems to be a rather limited understanding of what a maritime country is. It is not uncommon to hear that this condition is related to the size of the Navy, or the number of ports, or what has come into a fashionable sentence because 90% of the Chilean foreign trade travels by seas. These arguments are used, sometimes isolated, against or in favor of the thesis that Chile is a maritime state. However, although this study intended to demonstrate that Chile is a maritime state and has been a maritime power in specific periods of its history, perhaps the most relevant question is why it matters to Chile to be maritime.

Before answering the question, it seems essential to review the previous chapters and give a comprehensive all-element analysis to prove the country's maritime condition. We started with the political factor, arguably the most relevant of the elements, after geography, because if we validate the argument that maritime states are human creations by choice, then governments and their policies are fundamental for constructing this state. For Chile, it was fundamental to the role of certain heads of state and politicians, particularly O'Higgins and minister Portales, who transformed a rather land-centric society into one with maritime characteristics. They understood that trade was essential for the prosperity and security of the country. Consequently, they built organizations and comprehensive policies to support maritime trade and its protection and, when necessary, apply force to crush its competitors.

The maritime activity became the booster that transformed one of the poorest colonial Spanish outposts into a wealthy country.

But Government reflects societies, and while Valparaíso, with its growing key economic groups, might have influenced policies for a while, another sector remained in tension with the new economic elite. The Spanish decedents were landlords who were more inclined to a conservative agricultural society than an economically opened one. As a result, and together with the realities imposed by the geopolitical context, Chile transited back and forth between maritime and land-centric policies, with an important impact on the country's economic system, moving from an open economy in the second half of the 19<sup>th</sup> Century, to an economic autarchy in less than fifty years. The results were catastrophic and led to a long period of political instability, only to embrace free trade again in the late 20<sup>th</sup> Century, along with a period of economic and social prosperity.

Although there were several other reasons for this autarchic choice, what seems to be relevant, is that country's most significant prosper periods were when its policies focused on the maritime domain, with trade at its core. While the country needs to decide if it wants to remain as a commodities exporter or if it wants to move to a more complex economic system, it seems important to understand that it is the maritime domain that offers the most cost-effective system, considering that the traditional markets of Chilean products are, and probably will be, outside South America. Going back to the fact that more than 90% of Chilean trade goes by sea, perhaps the relevant factor is not the number but that the country has no other real alternative but to use the maritime domain for trade. There is no viable “continental approach” for the Chilean case, which makes the country heavily dependent on the sea.

The early governments understood this geopolitical reality and tried to improve the country's position in relation to maritime trade routes by taking control of what they considered strategic outposts, such as the Strait of Magellan or Rapa Nui. Arguably, they prioritized keeping them and ceding a significant amount of land, for example, during the crisis with Argentina in the late 19<sup>th</sup> Century, a distinctive characteristic of maritime states. While some authors argue that Chile remains a geopolitical island considering all the natural geographic features that keep the country semi-isolated from its neighbors, it is worth noting that the annexation of the northern territories after the 19<sup>th</sup> Century War of the Pacific created a frontier with Perú and moved the productive centers of the country to the northern border, thus changing the country's strategic posture. A permanent Army was now necessary to defend these borders, forcing this one geopolitical island to attend to more continental affairs, a reality that remains until these days.

Perhaps the most challenging aspect for the country to be more maritime is society. As we earlier discussed, there was a historical tension between the new economic elite and the old Spanish landlords, creating perhaps two different ways society understands the maritime domain. Valparaíso and Chiloé, for example, are early examples of maritime cities. Still, Santiago, the landlocked capital city of the country and heart of the agricultural elite, was hardly a maritime city. It seems extremely difficult to define society today as maritime or continental, considering the size of the country and its geographical reality. Possibly, there is no need to do it. Every society has different political, geographical, and economic realities and, thus, a different approach to the sea. With the centers of maritime activities -harbors- moving away from cities and the number of people related to these activities decreasing due to automatization, perhaps a new approach to what a maritime society means is needed.

And while in Chile, naval heroes are remembered every year by school children, Navy Day is still celebrated in most cities and towns, regardless of their distance to the sea, and non-governmental institutions, such as the *Liga Marítima*, continue to foster what they coined as “maritime awareness,” in order to improve the understanding of the maritime domain, the society is embracing the again the sea, but this time in a rather different way, a more sustainable one. This awareness of the sustainability of the seas by society has influenced policymakers, who have passed laws such as declaring a little over 40% of the EEZ as maritime-protected areas. This approach demonstrates how society perceives the oceans as an integral part of the country and, thus, subject to protection.

However, this new approach reminds us of the relevance of a sound maritime strategy that bridges the national objectives in that domain with the always limited numbers of constabulary vessels. As we saw, early governments decided to give the Navy roles beyond the merely military ones, including a semi-autonomous coast guard. The latter operates as a constabulary force within the Navy and is shares all its logistical support and its ships, helicopters, and Maritime Patrol Aircrafts when needed. This organization has proven to be a cost-effective solution for Chile, with a relatively limited budget for defense, and vast areas to patrol, which includes, apart from one of the longest coasts in the world, extended areas in Polynesia and Antarctica. The Navy is aware of these challenges and the need for international cooperation to defend what Professor Geoffrey Till defines as “the system.” Consequently, it has developed the capability of interoperating with other international maritime services, focusing on the Pacific and Antarctic waters.

The Government, aware of the Navy's challenges, has supported a national shipbuilding program to provide the service with adequate platforms. A new icebreaker is being built in the Navy shipyard in addition to new multi-role amphibious ships. Today's

Navy is a well-balanced, flexible force, with the surface, submarine, and air assets supported by several bases along the coast. It remains to be seen if this force is adequate for future national challenges.

The traditional good order at sea seen in the South Pacific waters has been increasingly challenged by illegal fishing, drug trafficking, and climate change. The latter had contributed not only to the rising sea level, creating a new security problem in coastal areas, but also to the melting of the icepack on the Antarctic peninsula, easing access, bringing new actors to the already contested sector. The rise of interest in the Antarctic peninsula has both opportunities and challenges. The Drake Passage and the peninsula are maritime theaters where the Navy has unchallenged capabilities. The exponential growth of tourism, scientific activities, and fisheries, needs protection and control, and the Chilean Navy can use its capabilities to provide security in the area.

On the other hand, the increase in these activities tensions the area. Argentina has recently re-interpreted the limits between both countries within the Drake area regarding the extended continental shelf, resulting in formal protest from the Chilean Government. Along with this tension, third powers had increased their activities in the area, forcing them to use all available assets, with the always present danger of overreach. How the Government will react to these new scenarios might give a better understanding of how “maritime” its thinking is.

Some studies affirm that Chile has a strong regional geopolitical influence, second only to Brazil, being a relatively small country. This essay suggests that this rather asymmetric power, related to its size and population, is related to the country's capability to exploit the maritime domain comprehensively. Although not perfect, this not consistently

recognized "maritimeness" has improved the well-being of its citizens and their economic prosperity.

Being a small maritime power, a condition that Chile has reached in specific periods of its history had allowed the nation to influence events, in other words, to be able to choose. These decisions have improved the well-being of its citizens, security, and economic prosperity, something that future policymakers and society should consider when deciding which kind of nation, they want to build.

Although not perfect, this maritime vision, not always recognized, has consistently improved the well-being of its citizens and their economic prosperity. However, this is a political choice. Future leaders will have to decide whether Chile remains an open economy and whether trade, in all its forms, remains at the heart of this economic boom. Upcoming definitions, such as the ratification of international free trade agreements, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP-11), will undoubtedly affect the nation's economy. But it would be a mistake if this impact – positive or negative – is considered only from an economic perspective and not in a holistic way, understanding that Chile depends on the sea for its subsistence. Historical evidence suggests that when the country has turned its back on the sea, a decision taken mainly by its political elite, has negatively impacted the country.

The fact that it had become a maritime power, at least regional, during some specific periods of its history allowed Chile to influence regional events, that is, to shape its destiny. Today Chile is more of a maritime country with a specific capacity to influence the regional environment. However, there are still pending conditions to become a maritime power again, mainly a strategy involving the whole government incorporating also private actors' economic capacity.

Finally, the importance of this status of power, is that it once allowed the government to improve the welfare of its citizens and the security and economic prosperity of the country, something that future politicians and society must consider when deciding what kind of nation they want to build, especially when the livelihood of this country depends vitally on the sea.

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### **Original Studies**

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### **Original letters**

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Diego Portales a José M. Cea, marzo de 1822.

Diego Portales a Manuel Blanco Encalada, 10 de septiembre de 1836.

Diego Portales a Antonio Garfias, 17 de marzo de 1832.

Diego Portales a Antonio Garfias, 28 de marzo de 1832.

## **Biography**

Captain Christopher Green joined the Chilean Naval Academy in 1993 as a Naval Cadet. After five years in the Naval Academy, he graduated as a Midshipman in 1997, spending his early years in the Fleet and Fast Patrol Boats. After initial years of training, he went to the Chilean Navy Polytechnic Academy, where he obtained a degree in Systems Engineering. Later, he moved to the submarine service, where he spent more than ten years onboard diesel/electric submarines and qualifying as a submarine specialist.

As a Lieutenant Commander he commanded the Hydrographic ship, CNS *Cabrales*, in the southern part of the country, surveying the southern channels and fiords. His shore appointments have focused on academic and training centers, having the privilege of serving in the Chilean Naval Academy as a recruit instructor, in the Chilean Navy War College, and in the submarine training center.

Captain Green attended the Chilean Naval War College in 2016, obtaining a master's degree in maritime sciences. Additionally, he attended the Joint Professional Military Education II, at the Joint Forces Staff College, Norfolk, VA, in 2018.

He graduated from the United States Naval War College with a master's degree in National Security and Strategic Studies, where he also obtained a Graduate Certificate in Maritime History. He remained at the USNWC as a research fellow in the Hattendorf Historical Center for Maritime Historical Research and in the Civil-Military Humanitarian Response Program.

In 2022 he was appointed as the Commanding Officer of the SSK *O'Higgins*.

He is the father of three boys.

