The Ecuador/Peru border dispute has been a major issue of both countries' domestic and international politics since their independence. The U.S. during the thirties and forties was much involved in efforts to settle the disagreement, and there are still Ecuadorian resentments toward the U.S. for the role we played, particularly with respect to the 1942 Rio Protocol.

Peru is particularly important to Ecuador on the LOS question and the two countries try to maintain a united position in this area. Peru and Ecuador also have similar interests within the Andean Pact vis-a-vis Colombia and Chile. Notwithstanding these areas of cooperation, Ecuador still regards Peru with great suspicion and resentment. There are frequent rumors which are given credence among the Ecuadorian military that the Peruvians are on the verge of launching a military attack against Ecuador.

When Foreign Minister Armando Pesantes made his first policy statement in January 1976, he said that one of the primary foreign policy objectives of the new government would be the question of recovering lost territories in a negotiated settlement with Peru.

Enclosure:
1. Historical Summary of the Ecuador/Peru Border Dispute
When Chile and Bolivia began to discuss with each other and with Peru a settlement which would satisfy Bolivia's historical quest for access to the sea, Ecuadorean hopes for a settlement of its own frontier problem with Peru were further revived. These feelings have again been renewed and strengthened by the recent assertion of the Ecuadorean position by Foreign Minister Armando Pesantes in the UNGA (ref A).

Embassy officers were informed confidentially by Government of Ecuador officials that the Military Government had been holding secret talks with the Government of Peru on their frontier problem and had stated with satisfaction that the Peruvians had acknowledged for the first time since 1942 that a frontier problem existed (ref B).

At the same time the Foreign Office official said that Ecuador, with the public precedent of statements made by previous Presidents, including Velasco Ibarra, would probably be willing to accept a settlement in which Ecuador recovered access to the Marañon River and gave up its claim to the vast majority of disputed lands claimed in the remainder of the Amazon basin. It appears from the exchange between the Ecuadorean and Peruvian Foreign Ministers at the recent UNGA, however, that the Peruvians have not admitted the existence of a border problem and that any Ecuadorean perception of progress on recovery of its lost territory was unfounded.

It is likely that Ecuador's attempts to resolve this border issue to its satisfaction will persist for years to come. Since an understanding of the Ecuador/Peru frontier dispute is essential for any U.S. diplomat dealing with Ecuadorean affairs, the attached unclassified historical summary of the dispute has been prepared.
Historical Summary of the Ecuador/Peru Border Dispute

The dispute has its historical roots in the fact that (1) Francisco de Orellana discovered the Amazon in 1542 after having set out from Quito, and (2) there is a historical disagreement over the boundary line supposedly established in 1563 between the Audiencias of Quito and Lima. Following independence from Spain and a brief war -- fought in part over boundary issues -- Gran Colombia (Venezuela, Colombia and Ecuador) and Peru signed the Treaty of Guayaquil in 1829 specifying that their frontier would correspond to that of the old vice-royalties. The exact demarcation was to be established by a boundary commission.

Nevertheless, in the Pedemonte-Mosquera Protocol of 1830, Peru indicated acceptance of the Marañon-Amazon River line as her northern frontier. After Ecuador withdrew from the Gran Colombian federation in 1830, Ecuador maintained the effectiveness of the Protocol. Peru, however, denied that Ecuador had become the successor to Gran Colombian territory.

Tensions rose and fell throughout the nineteenth and into the twentieth century as Peruvian traders and settlers came to outnumber those of Ecuador in the disputed territory, a vast rain forest between the Putamayo and Amazon Rivers known as the Oriente. An agreement in 1887 to have the King of Spain arbitrate the dispute was not implemented. Instead, the Garcia-Herrera Treaty of 1890 divided the disputed area roughly in half. Reluctantly the Ecuadorean Congress ratified the Treaty. Peru's Congress gave its ratification subject to reservations. The Ecuadorean Government broke off relations with Peru. Mediation efforts by Colombia forestalled a war, but the Ecuadorean Congress withdrew its ratification of the Garcia-Herrera Treaty in 1894.

Arbitration by the King of Spain from 1895 to 1910 found many of Peru's claims valid, but awarded more territory to Ecuador in the west than had the Garcia-Herrera Treaty and in addition granted Ecuador right of access to the Amazon. Ecuador expressly
rejected the award in 1910. To avert a possible war the King of Spain withdrew as arbiter. Only the mediation of the United States, Argentina, and Brazil prevented a full-scale war.

Peru indicated a willingness to continue discussions, while continuing to extend effective control over the disputed area. Ecuadorean military garrisons offered little resistance, and in some cases even found themselves economically dependent upon nearby Peruvian settlements. Every few years there were incidents and protest notes to indicate that Peru's expansion did not go unchallenged.

In 1924 a protocol was signed between Peru and Ecuador providing for continued discussion of the issue in Washington, with the President of the United States to act as arbiter if no agreement could be reached. President Roosevelt agreed in February 1934 to meet with the Ministers of both countries, and in July 1936 a protocol was signed in Lima establishing the arbitration proceedings. The same protocol also called for the maintenance of the status quo as indicated by a line that both countries recognized as showing their respective areas of control as of July 1936. (This was practically identical with that later agreed upon in Rio de Janeiro in January 1942, as the "final and permanent" border between the two countries). The talks ended without positive results in 1938.

In May 1941, the United States, Argentina and Brazil, anxious to maintain unity in the Western Hemisphere at the onset of World War II, offered to mediate. Ecuador immediately accepted, but Peru refused. On July 5 large-scale fighting broke out. A Peruvian invasion began on July 23 and halted on July 31 after a cease-fire order of the three intervening powers. Ecuador had not been able to stop the Peruvian advance. Peru had committed a force of 5,000 to 10,000 troops, whereas Ecuador had only between 800 and 1,600. Of approximately 500 casualties, counting both killed and wounded, at least two-thirds were Peruvians. All of El Oro Province (on the coast) was occupied, as were several thousand square miles of the Oriente beyond the status quo line of 1936. The invaded sector of the Oriente was largely uninhabited.

The military situation remained essentially static until September 13, when Lima offered an ultimatum to the mediators. Peru would evacuate El Oro Province only if Ecuador would agree to a final and binding solution to the border problem within six months. The settlement procedure was to be conducted under the supervision of the three original mediating powers and Chile, which expressed interest in participating.
in any conference that would settle the Peru-Ecuador dispute. If Ecuador did not propose an acceptable treaty within the specified half-year, Peru was to impose a solution by force.

The Ecuadorean Defense Minister agreed in principle to the traditional border between the two countries in the west (on the coast and in the Sierra) and to a line connecting the navigable limits of the major streams in the Oriente, if the mediators would participate in the negotiations. Brazil's Foreign Minister took the initiative at a Rio de Janeiro meeting in attempting to induce the disputants to reach agreement. The Ecuadorean delegates, headed by Julio Tobar Donoso, tried to obtain possession of the Santiago River as a minimum fulfillment of Ecuadorean national aims, but Ecuador agreed to settle essentially on Peru's terms. The Protocol of Peace, Friendship and Boundaries between Ecuador and Peru (popularly called the Rio Protocol) was signed on January 29, 1942, and guaranteed by Argentina, Brazil, Chile, and the United States. Although some 70,000 square miles of disputed territory had been awarded to Peru, Ecuadorean officials were generally relieved that the results had not been more damaging. Even after the government of President Carlos Arroyo del Rio was overthrown in 1944, José María Velasco Ibarra, who succeeded him, stated Ecuador's acceptance of the 1942 Rio Protocol.

At the end of World War II it seemed that public emotion on the Peruvian border question had subsided. All indications were that the Ecuadorians had resigned themselves to the loss of their national claim in the Amazon basin. In 1946, however, the United States Air Force, in the process of photomapping the area between the Santiago and Zamora rivers, discovered an additional 120-mile-long river system between the other two. The river, the Cenepa, had been known to exist, but it was thought to be short and insignificant. Now it greatly complicated the problem of marking the border between the two countries because, according to the Rio Protocol, the division between the watersheds of the Santiago and the Zamora river systems was to serve as the boundary.

The problem was that now there were two such divisions instead of one and that the Cenepa River, which flows into the Marañón, revived Ecuador's hopes for territory on the Marañón-Amazon. Between 1947, when the geographic discovery became common knowledge, and 1951, when Ecuadorean cooperation in placing boundary markers stopped, the Amazon issue returned with full vigor.

On August 10, 1951, the Ecuadorean President, Galo Plaza Lasso, in his annual message to Congress stated that Ecuador would not recognize a boundary in the undefined area (about 5,000 square miles) unless his country were given an outlet on the Marañón-Amazon. The next day, the Peruvian President,
Manuel Odría, replied that his country would refuse to discuss the issue. Serious border incidents soon broke out, followed by a series of mutual protests. A few months after Velasco Ibarra won the presidency in 1952, through a campaign stressing the border issue, his government declared the Peruvian ambassador to be persona non grata on a question of protocol and severed diplomatic relations.

Incidents continued throughout 1953 and 1954, but the situation cooled somewhat in 1956. Diplomatic relations were reestablished, and affairs remained calm, if cool, until 1960. When Velasco Ibarra was reelected in June 1960, the issue flared up again. The Ecuadorean Congress, alleging the concentration of Peruvian troops on the country's borders, declared that the Rio Protocol was void. On September 28, Ecuador's Foreign Minister announced the country's nullification of the 1942 Rio Protocol to the General Assembly of the United Nations. Soon thereafter, Ecuador's Supreme Court of Justice also declared that "the absolute nullity of the Rio Protocol is an incontrovertible thesis of scientific and juridical value and a matter which originates a problem of life and death for Ecuadorean nationhood." When the United States and other guarantors rejected Ecuador's unilateral abrogation of the Protocol there were strong demonstrations in Ecuador.

Once again diplomatic relations between Ecuador and Peru were severed. The guarantors conferred and in December 1960 reported to Ecuador their decision to continue to uphold the Rio Protocol. Diplomatic relations were resumed in early 1964, negotiations were undertaken, and for a time the issue subsided. It was revived, however, in 1968, as Velasco Ibarra, campaigning for his fifth term in the presidency, rejected the Protocol and pledged to present the Ecuadoreans with the right to access to the Amazon. In office his tone was more moderate and diplomatic, but his rejection of the Protocol and his demand for a river port were reiterated. This aroused indignation in Lima, where the Chamber of Deputies resolved that there was no territorial dispute that had not been finally disposed of by the Rio Protocol, and the Foreign Minister pointed out that in any case the Protocol provided navigation rights for Ecuador on the Amazon River and certain tributaries.

By 1972 the issue had subsided publicly but, from the Ecuadorean point of view, it remained far from resolved. The frontier problem lay publicly dormant until Foreign Minister Pesantes assumed office in January 1976 and renewed Ecuadorean claims to the disputed territory.