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10. Ecuador-Peru Border Dispute

The government of Ecuador continues to be very concerned about the Peruvian border situation and apprehensive about the possibility of a military attack.

Ecuadorean armed forces reportedly have been placed on a limited alert status, but it is known that interim provisional president Arosemena does not wish to aggravate the present tense situation. Ecuadorean officials believe that the situation could become more tense if Peru were to use 29 January --the 25th anniversary of the 1942 Rio Protocol which defined the Ecuador-Peru border--as an occasion for a victory commemoration.

There is no evidence that the Peruvian Government is planning major commemorative ceremonies. Responsible military and political leaders in Peru want to avoid any incident which would needlessly exacerbate the present situation. Nevertheless, Peruvian President Belaunde is under pressure from political and military leaders to stand firm.

Although the Ecuadorean Government does not appear ready to back down from its traditional stand on the nullity of the Rio Protocol, the Ecuadorean ambassador to the US offered his own views on what might be included in a solution to the issue. He feels that there must be some inter-American recognition of Ecuador's willingness to have acquiesced in the protocol at the time of its formulation in the spirit of maintaining harmony during an emergency situation. Such recognition should also include the presentation of some new face-saving formula for settlement by a group of nonguarantor powers of the hemisphere.

Such a solution, if seriously proposed by the Ecuadorean Government, would be unacceptable to the Peruvian Government. Peru considers the validity of the Rio Protocol unquestionable and the border issue to have been settled at the time of the signature of the treaty ending the border war.

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11. Serious Strain in Guyana's Coalition Government

Relations between Prime Minister Burnham and his junior coalition partner, Finance Minister D'Aguiar, are again seriously strained.

The two leaders have had a series of major policy disagreements and personal clashes since they formed a coalition government in December 1964 to keep pro-Communist opposition leader Cheddi Jagan from power. They are now divided over cabinet changes.

[redacted]

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If D'Aguiar were to resign, Burnham could probably at least temporarily hold the support of enough members of the finance minister's party to maintain a slim legislative majority. Many members of D'Aguiar's party are dissatisfied with Burnham's administration, however, and without D'Aguiar in the government the coalition would be on a much weaker footing. [redacted] 25X1 25X1

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