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*Jordan*



DIRECTORATE OF  
INTELLIGENCE

# Intelligence Memorandum

*Economic Outlook for the East Bank of Jordan*

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AUGUST 1968

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CENTRAL INTELLIGENCE AGENCY  
Directorate of Intelligence  
August 1968

INTELLIGENCE MEMORANDUM

Economic Outlook  
for the East Bank of Jordan\*

Summary

The June 1967 Arab-Israeli war and its aftermath have had serious adverse economic consequences on the economy of the East Bank of Jordan.\*\* Industrial production, construction, and other private business activities have declined sharply. Economic development has almost come to a halt except for several government projects. An influx of some 250,000 refugees (mainly unskilled laborers, women, and children) has increased the population of the East Bank by 20 percent and reduced per capita consumption.

The current recession is due far less to the loss of economic assets on the West Bank than to the unsettled political and military situation. The government is preoccupied almost exclusively with military

\* The term Jordan in this memorandum refers to Jordan as it existed before June 1967, including both the East Bank and West Bank with Jerusalem. The term East Bank refers to territory now under the control of the Jordanian government, thus excluding the occupied territory. See the map, Figure 1.

\*\* For the purpose of this memorandum, continued Israeli occupation of the West Bank of Jordan is assumed. This assumption is not intended to be a judgment that such occupation will continue.

Note: This memorandum was produced solely by CIA. It was prepared by the Office of Economic Research and was coordinated with the Office of Current Intelligence.

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matters and with maintaining its political control. Uncertainty keeps private investment to a minimum and depresses consumer demand. Fear of Israeli military attacks, which has driven farmers from some of the most productive land in the Jordan Valley, seriously threatens agricultural production in the area. Although grant assistance from other Arab countries has brought the government ample foreign exchange and funds for domestic expenditures, it has been unable to implement economic development because of the political climate.

Economic stagnation probably will continue in 1968, particularly in the private sector. Private investment, which has almost ceased, will remain low as long as military incidents continue between Israel and Jordan. Even if more stable political conditions are achieved, Jordan cannot expand economic activity significantly this year. In the long run, however, given political stability, Jordan should be able to regain much of the economic momentum it had before the war.

Despite general stagnation, the economy exhibits some positive economic signs. A few industries, such as phosphate mining, cement production, and petroleum refining, not only regained their prewar levels of production in late 1967 but are now producing at record levels. In spite of difficulties caused by closure of the Suez Canal, the increase in production in these industries plus a record level of agricultural production pushed the level of exports in the second half of 1967 to above that in the same period in 1966. This performance is not likely to be repeated in 1968, given current agricultural difficulties.

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The Jordanian East Bank Economy

1. The East Bank economy has a very narrow natural resource base and is plagued with shortages of managerial and skilled labor. These shortages are intensified by a continuing emigration of skilled persons and war-induced immigration of some 250,000 refugees, mainly unskilled laborers, women, and children. Although some occurrences of manganese, copper, and a few other minerals have been discovered, the only known exploitable resources consist of a limited amount of agricultural land and deposits of such nonmetallic minerals as phosphate and potash. Jordan has no timber or fishing resources.

2. Despite the lack of natural resources, however, the economy of the East Bank, utilizing large amounts of foreign aid, grew rapidly during the 12 years prior to the 1967 war. The gross national product (GNP) for all of Jordan rose from about \$140 million in 1954 to more than \$520 million in 1966 (current prices), an increase of more than 270 percent, and per capita GNP rose from \$151 in 1957 to \$250 in 1966, an annual gain of 6 percent. Since most of Jordan's growth occurred on the previously less developed East Bank, the rate of increase for GNP in this area was considerably more than that of Jordan as a whole. East Bank GNP in 1966 amounted to about \$335 million, and per capita GNP is estimated to have reached \$260. The estimated distribution of income by source for the East Bank in 1966 is given in the following tabulation:

Agriculture

4. The economy of the East Bank depends heavily on farm production. Agriculture supplies as much as 30 percent of GNP in very good agricultural years and about 25 percent in normal years. In 1966 it provided direct employment for 40 percent of the labor force, about 25 percent of total exports, and many essential inputs for other sectors of the economy. Much of the manufacturing and trade on the East Bank consists of processing or handling agricultural products.

Percent

Government	18
Agriculture <u>a/</u>	17
Commerce	16
Manufacturing and mining	14
Transportation	8
Rent	7
Services	6
Construction	6
Factor income from abroad	5
Banking and finance	2
Utilities	1
<i>Total</i>	<i>100</i>

*a. Agricultural production in 1966 was abnormally low because of poor rains; usually this sector represents about 25 percent of total income.*

3. Despite stagnation in most of the private sector since the June 1967 war, total income for the East Bank increased somewhat in 1967 because of a large agricultural output (due to favorable weather) and increased government defense and refugee expenditures financed by foreign aid. Even though total income increased, per capita income declined significantly because of the inflow of approximately 250,000 refugees, which raised the East Bank's population by about 20 percent.

Agriculture

4. The economy of the East Bank depends heavily on farm production. Agriculture supplies as much as 30 percent of GNP in very good agricultural years and about 25 percent in normal years. In 1966 it provided direct employment for 40 percent of the labor force, about 55 percent of total exports, and many essential inputs for other sectors of the economy. Much of the manufacturing and trade on the East Bank consists of processing or handling agricultural products.

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5. Of a total land area of some 16 million acres, only about 1.4 million acres (less than 9 percent) are cultivated, and much of the cultivated land is of little use because of erratic rainfall. In 1967, most of the cultivated land was devoted to grain production (61 percent). Vegetables and fruit are produced on only 6 percent and 4 percent, respectively, of the cultivated area, with the remainder being land in fallow. In value terms, however, production of grains, fruits, and vegetables is more evenly divided and was distributed in 1967 as follows: grains, 48.4 percent; vegetables, 35.5 percent; and fruits, 16.1 percent.

6. Under prodding by the Jordanian government and with considerable US aid, agricultural production grew rapidly prior to the June war. Although production varied erratically from year to year, an average rate of increase of more than 12 percent a year was achieved after 1959. The principal government agricultural development projects were water control and distribution projects, the most important of which was the East Ghor Canal\* (see the photographs, Figures 2 and 3). The government also instituted programs to raise labor and land productivity, reduce soil erosion and overgrazing, provide agricultural credit, and aid in marketing.

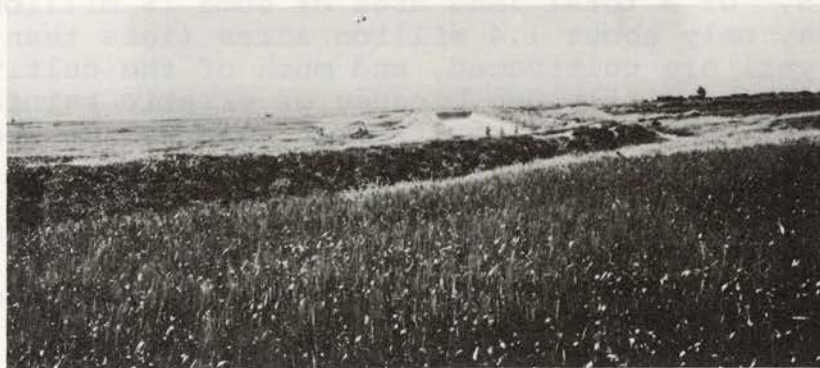


*Irrigated Fields in the East Ghor*

\* *The Ghor is the floor of the geological depression through which the Jordan River flows.*

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*The East Ghor Irrigation Canal and Some Surrounding Fields*

7. Initially, the Arab-Israeli war did not affect agricultural production on the East Bank significantly. Little fighting took place on the East Bank, and the farmers were able to care for their fields and harvest crops with little interruption. In fact, agricultural production in 1967 was at record levels, primarily because of favorable rains and increased irrigation.

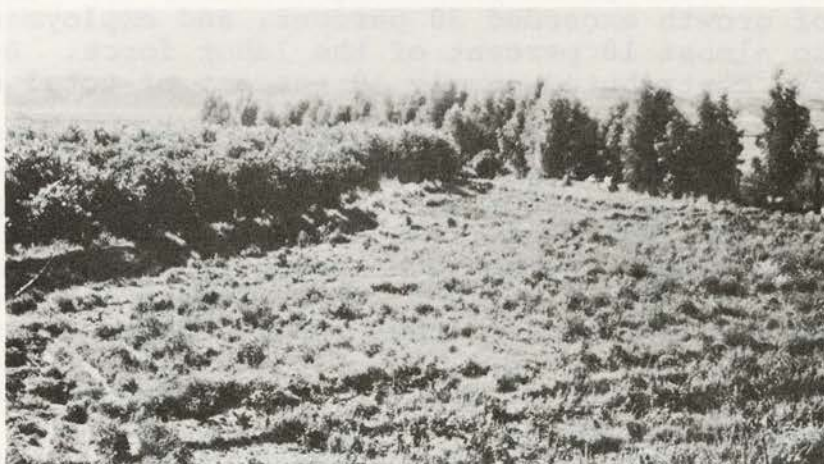
8. Beginning in February 1968, however, agriculture on the East Bank, especially in the important East Ghor area, has been disrupted seriously by postwar military activity. Israeli artillery fire has damaged the East Ghor Canal and continues to hit the canal intermittently. Even more serious, however, is the loss of life by farmers from Israeli machinegun fire and mines. Most farmers have withdrawn from the East Ghor area because of fear, causing an immediate sharp reduction in output in this important area.

9. Continued fighting in the East Ghor area, the "garden spot" of Jordan, could be very costly to the economy of the East Bank. This area provided about 45 percent of total East Bank agricultural production in 1967. The fighting already has caused the loss of a large portion of a better than average wheat crop in the Ghor this year and much of the tomatoes and other vegetable crops. If the present level of fighting continues, some of the important citrus crop also will be lost. The greatest danger to the economy over the longer run, however, is the

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loss of the citrus and banana orchards if water is withheld for more than three or four weeks; replacement of these trees would take up to ten years, during which time no production would be achieved.

10. If the fighting stops, on the other hand, the long-run prospects for agriculture on the East Bank are good. The 12-percent average annual growth rate that had been achieved before the war could well continue. Many new citrus trees planted in the past five or six years will be ready for full production in the next few years (see the photograph, Figure 4). The government also has a project underway to extend the East Ghor Canal plus other irrigation projects that will add significantly to the amount of land available for irrigation. Water supplies for the East Ghor extension, however, will be limited until completion of the Khalid ibn al-Walid Dam, where construction is now halted because the north end is in Israeli-occupied territory. Other projects financed by foreign aid, such as the wheat research and development project of the US Agency for International Development, already have had a beneficial effect and could increase agricultural production still further in the next few years (see the photograph, Figure 5).



*An Orchard in the East Ghor. The Small Trees in the Foreground are New Plantings. The Jordan River is Directly Behind the Tall Row of Trees*

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*The US AID Wheat Demonstration Plot in the Background Compares Very Favorably With Traditional Wheat-Growing Methods in the Foreground*

#### Industry

11. Although industry in Jordan has been growing in importance, most of the industrial goods consumed are imported. Imports of industrial goods in 1965 amounted to \$135 million, compared with a total Jordanian output of \$107 million. During the period from 1959 through 1965, however, valued added by industry rose by about 160 percent, or at an average annual rate of more than 17 percent. During the several years preceding the war, this annual rate of growth exceeded 20 percent, and employment rose to almost 10 percent of the labor force. By 1966, industry contributed nearly 10 percent of total GNP.

12. Although nearly 60 percent of the industrial units in Jordan are on the West Bank, about 70 percent of the total value of industrial output is produced on the East Bank. The principal installations on the East Bank include the cement plant near As Salt; the petroleum refinery at Az Zarqa; the steel rolling mill (producing steel rods), the cardboard box factory, the tannery, and the detergent factories, all located between Ar Rusayfah and Az Zarqa; and the phosphate mines at Ar Rusayfah and Al Hasa. New light industries, such as the pharmaceutical, woolen cloth, and cigarette industries, also have been built on the East Bank. Amman and Irbid are the country's leading centers for light industry. Most of the larger plants and most new plants are partly government owned and receive financial support from the government.

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13. Even though little fighting occurred on the East Bank, industrial production was disrupted seriously by the June 1967 war. Some industries on the East Bank lost major markets on the West Bank. Both the petroleum and cement industries lost about 30 percent of their normal markets, and many small businessmen producing goods for tourists lost their entire market. Importers located on the East Bank also were adversely affected by the loss of their West Bank market (all West Bank imports were channeled through the East Bank). A slowdown in phosphate production, Jordan's most important single export, also occurred because of the closure of the Suez Canal, the main export route.

14. Even though most of the industries producing consumer goods are still suffering from the loss of their West Bank markets and a generally low demand for consumer goods on the East Bank, most of the major producer goods and export industries had regained full production by late fall 1967. The phosphate industry increased production to record levels, exporting from Aqaba primarily to India, China, and Ceylon and via Beirut to Yugoslavia, Italy, and Czechoslovakia. The petroleum industry -- because of sales to Iraqi army units on the East Bank, the increase in population, and some new export markets -- is now producing near capacity, and the refinery will be redesigned and reequipped to double its capacity. The cement industry too has increased production since the war because of development of export markets. The closure of the Suez Canal has made Jordanian cement exports competitive in markets East of Suez despite a relatively long land haul from As Salt to the Port of Aqaba. To help the depressed consumer goods industries, the government has bought a partial interest in some firms and has provided some financial assistance to others.

15. The rise in military incidents since February has intensified the pessimistic attitude of private businessmen, and confidence in the economy remains very low. Prospects for increasing production of consumer goods in the near term are poor because of a lack of consumer demand. Investment in industry (which had been high prior to the war) has been almost nonexistent since the war except for those

few industries that receive some government financing, such as the petroleum, cement, and phosphate industries.

Construction

16. The construction industry, a relatively minor segment of the East Bank economy, producing only about 6 percent of the East Bank's GNP and employing 10 percent of its labor force, has declined greatly since the war. Much private construction and some government development projects have halted. Work on the largest construction project in Jordan, the Khalid ibn al-Walid Dam, was stopped because the north end of the dam is in Israeli-occupied territory. Shortly after the war, the government of Jordan undertook a few public projects, including road building and extension of the East Ghor irrigation system, which brought some life into the construction industry. Most of these projects have been completed, however, and the East Ghor extension project has been halted because increased Israeli military activity caused workers to refuse to work in the East Ghor area. The construction industry cannot recover until either public or private investment is increased, a doubtful prospect in the short term.

Foreign Trade

17. Although both the agricultural and the manufacturing production of Jordan increased greatly prior to the war, Jordan remains dependent on imports for a major portion of its food requirements and manufactured items. The value of imports in 1966 was equivalent to about 37 percent of GNP. Jordan's consistently large trade deficit, equal to 82 percent of imports in 1966, has been financed through exports of services, tourism, remittances from Jordanians working abroad, and by large amounts of foreign aid.

18. The principal impact of the June 1967 war on foreign trade was a reduction of about 20 percent in imports from \$191 million in 1966 to \$155 million in 1967. The factors underlying the drop in imports were a reduction of the population by roughly 40 percent through the loss of the West Bank and the decrease in economic activity on the East Bank.

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Nevertheless, the actual decline in imports has not been as great as might have been the case. Some imported goods continue to be transshipped to West Bank residents, and other imported goods have been required to maintain new refugees and to support Iraqi and Saudi Arabian armed forces stationed on the East Bank.

19. Exports, on the other hand, have been affected very little by the war, except for the inconvenience in delivering phosphate exports to European markets because of the closure of the Suez Canal. In fact, because of a record level of phosphate production and the bumper agricultural production,\* exports in the second half of 1967 were the highest in Jordanian history for a like period. Total exports of \$32 million for all of 1967, however, were slightly below the record \$34 million in 1966.

20. The closure of the Suez Canal has increased the costs of most imports and the exports of phosphate to countries west of Suez. Jordan's only port, Aqaba on the Gulf of Aqaba, now has no practical access to the Mediterranean Sea. Ships from the United States, the United Kingdom, and Europe must go around Africa to reach this port. Some Jordanian foreign trade transits Lebanon as a result of an agreement with Lebanon that reduced transit fees on goods entering Beirut. Jordan, however, is benefiting from increased transit trade of goods from countries East of Suez to Syria and Lebanon.

21. The trade deficit in 1967 of about \$123 million was substantially below that of \$157 million in 1966 because of the reduction in imports in the second half of the year while exports remained at a high level. The trade deficit in the last half of 1967 was only \$47.2 million compared with that of \$88.9 million in the same period in 1966. Although data for the first quarter of 1968 show a continuing decline in the trade gap, expenditures for military goods almost certainly will cause the deficit for the whole year to be considerably larger than in 1967.

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\* West Bank agricultural production is still being exported through the East Bank to traditional Arab markets.

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Foreign Aid

22. Prior to the June 1967 war, foreign assistance to Jordan consisted mainly of grants from the United States, the United Kingdom, and the UN Relief and Works Agency for Palestinian Refugees (UNRWA); only a small portion was received as loans. During the period 1960 through 1965, grants totaled \$418 million and loans only \$49 million. Most assistance from the United States and the United Kingdom since late 1967, however, has been in the form of loans. The total value of loans outstanding as of 1 October 1967 was only about \$131 million, of which \$82.1 million had been spent. Approximately \$45 million of the loan total consisted of interest-free loans extended by the United Kingdom since 1949. Amortization of the loans has been deferred by agreement with the United Kingdom, and this procedure probably will continue for some time to come. Repayments on the external public debt have been small -- in 1965, for example, they represented less than 1 percent of foreign exchange receipts -- but are expected to increase steadily to approximately 11 percent of foreign exchange receipts by 1972.

23. Following the June 1967 war, Jordan's receipts of foreign aid increased sharply. Emergency aid granted from Arab states immediately after the war amounted to \$46.5 million. In addition, Kuwait, Saudi Arabia, and Libya collectively agreed at the Khartoum Summit Conference to provide grants of \$105.6 million a year\* as long as Israel continues to occupy the West Bank. The donor countries have talked privately about canceling the Khartoum aid in October 1968 after the aid will have been given for one full year, but this action is not expected as long as intermittent fighting continues between Jordan and Israel.

\* Originally the amount of aid extended to Jordan under the terms of the Khartoum Conference was \$112 million annually calculated at the old exchange rate for the British pound of \$2.80 per British pound. However, with devaluation of the British pound in November 1967 to \$2.40 per British pound, Kuwait did not adjust its payments in sterling, thus decreasing the dollar value; Saudi Arabia and Libya adjusted their payments to compensate for the British devaluation. The action of Kuwait reduced the total dollar value of the Khartoum aid from \$112 million annually to \$105.6 million annually.

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24. Jordan also has received military aid in the form of equipment and of grants to purchase military equipment. Centurion tanks and some other military equipment have been supplied by Iraq, Egypt, and Kuwait. Funds for the purchase of military equipment have been received from Abu Dhabi (\$14 million) and Qatar and Bahrein (less than \$1 million). Additional assistance from these and other Arab countries may be forthcoming, especially if conflicts along the border with Israel continue. Saudi Arabia presently is negotiating an agreement with the British government for about \$36 million of British military equipment for Jordan.

25. In addition to aid received directly by the government of Jordan, refugees and others affected by the war receive assistance from UNRWA, Near East Emergency Donations (NEED), and many foreign governments. By far the largest organization giving assistance to refugees is UNRWA, which has been supplying housing, clothing, food, medicine, and educational needs of the refugees since 1948. NEED, a US organization formed by businessmen after the June 1967 war, has given assistance for various projects to aid refugees and other war victims. Most of the NEED funds are channeled through UNRWA; some funds, however, are given to the government of Jordan and private organizations for specific projects.

#### Balance of Payments

26. Jordan's balance of payments has shown large surpluses every year since 1960 except in 1963, despite large trade deficits. The balance-of-payments surpluses, resulting primarily from receipts of foreign aid, have enabled the accumulation of gold and foreign exchange totaling \$250 million, an amount adequate to cover almost two years' imports at the rate achieved in the first quarter of 1968. The balance of payments of Jordan for 1965, 1966, and 1967 is shown in Table 1.

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Table 1  
Jordan: Balance of Payments a/  
1965-67

	Million US \$		
	Calendar Years		
	1965	1966	1967
Goods and services	-75	-100	-81
Goods	-128	-157	-123
Services (excluding tourism)	38	40	39
Tourism	15	17	3
Transfers	82	95	151
Private	8	7	6
Government	75	88	145
Capital movements	7	15	5
Net errors and omissions	3	14	-4
Changes in reserves b/	-17	-25	-72

a. Because of rounding, components may not add to the totals shown.

b. A minus sign (-) indicates an increase in assets or a reduction in liabilities.

27. Ironically, because of the June 1967 war, the balance-of-payments surplus in 1967 was by far the largest in Jordanian history -- more than \$70 million. This surplus resulted primarily from the large amounts of foreign aid received: more than \$100 million from Arab countries and almost \$50 million from the United States, the United Kingdom, UNRWA, and minor contributors. As a result, holdings of foreign exchange increased by about 30 percent as of May 1968 over those held just prior to the June 1967 war.

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28. The June war also had a major impact on the goods and services item in the balance of payments, lowering the usual high deficit. The trade deficit in 1967, compared with that for 1966, was reduced by more than 20 percent. Imports in the last half of 1967 were down sharply while exports actually were higher than normal. Earnings from total services including tourism, however, were cut as a result of the war by nearly 30 percent in 1967, compared with 1966. The usual large tourism surplus dropped from \$17 million in 1966 to \$3.4 million in 1967, primarily because of the loss of income from Jerusalem and the West Bank coupled with an increase in Jordanians traveling abroad. The loss of the West Bank and Jerusalem also caused a drop in remittances from abroad.

29. Although the government of Jordan has purchased large amounts of military equipment from the United States and the United Kingdom, Jordan again should experience a balance-of-payments surplus in 1968. Foreign aid promised at Khartoum by Saudi Arabia, Libya, and Kuwait should total at least \$77 million and probably will reach \$106 million in 1968, depending on whether or not aid is continued after October. Although the United States and the United Kingdom have suspended budget support grants, both countries are continuing to give aid, such as development loans, PL 480 assistance, and technical assistance loans. The balance-of-payments position also is expected to continue to benefit from large amounts of aid for refugees from UNRWA and others.

Public Finance

30. The government of Jordan has relied heavily on foreign aid to finance both its ordinary and development budgets. In 1966, for example, foreign assistance made up about 40 percent of total government revenue, and covered the bulk of economic development expenditures and 25 percent of ordinary budget expenditures. In 1968, moreover, foreign assistance probably will rise to more than 65 percent of the ordinary budget expenditures.

31. Although domestic revenue has declined by more than 50 percent since June 1967 with a simultaneous small increase in expenditures, the June 1967

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war has not affected government finances adversely. Foreign aid received since the war has more than offset the decline in domestic revenue. The original 1967 budget of \$150 million was augmented by supplementary budget expenditures of \$31 million. The supplementary budget provided for the following: \$11 million for increased military and public security expenditures; \$1 million for increases in expenditures of other government agencies; \$7 million for emergency war expenditures, of which \$2.4 million was for refugees; and \$12 million for development, most of which was special investments, loans, and subsidies, principally to Jordanian companies in financial difficulty. Despite the increase of \$31 million in the 1967 budget due to the war, a surplus of about \$27 million was realized.

32. In formulating the 1968 budget the government of Jordan realized that to justify continued receipt of large amounts of foreign aid, it could not have as large a surplus as it did in 1967. Planned budget expenditures of \$237 million, therefore, were increased to \$246 million by the addition of a supplementary budget. The new budget, more than 85 percent larger than that for the last full pre-war year of fiscal year 1965/66,\* includes development expenditures of about \$88 million. These proposed expenditures almost certainly will not be carried out in full because of current political conditions. Even with the payment of roughly \$45 million for US arms in 1968 (which had not been included in the 1968 government budget), the total actual expenditures of the government probably will fall short of the \$246 million. (For official and probable government of Jordan revenues and expenditures for 1968, see Table 2.)

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\* The government's fiscal year now coincides with the calendar year. Prior to 1966, however, the fiscal year ran from 1 April to 31 March.

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Table 2

Jordan: Official Government Budget  
and Estimated Probable Government Revenues  
and Expenditures  
1968  
(Continued)

Million US \$

	<u>Official Budget</u>	<u>Estimated Actual</u>
A. Expenditures <u>a/</u>		
Civilian (current)	51.8	46
Armed services <u>b/</u>	107.0	115
Development	38.1	20
Subtotal	196.9	181
B. Expenditures directly financed by foreign aid <u>c/</u>		
Armed services <u>d/</u>		17
Development	40.4	22
Subtotal	40.4	39
C. Supplementary budget <u>e/</u>	9.2	0
Total	<u>246.5</u>	<u>220</u>
D. Revenue <u>a/</u>		
Domestic	51.8	58
Khartoum aid	105.6	106
Foreign military aid <u>d/</u>		15
Subtotal	<u>157.4</u>	<u>179</u>
E. Revenue earmarked for specific expenditures (equal to B above) <u>c/</u>		
Armed services <u>d/</u>		17
Development	40.4	22

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Table 2

Jordan: Official Government Budget  
and Estimated Probable Government Revenues  
and Expenditures  
1968  
(Continued)

	Million US \$	
	<u>Official Budget</u>	<u>Estimated Actual</u>
Subtotal	40.4	39
Carryover from 1967	26.9	27
Total	<u>224.7</u>	<u>245</u>
Balance on hand	-21.8	25

a. PL 480 aid, amounting to \$2.1 million, is not shown on either the expenditures or the revenue side of budget.

b. Including investment in military equipment from all sources including the United States and paid for directly by the government of Jordan.

c. These expenditures are offset completely by revenues earmarked for the specific expenditures in item B; therefore, any increase or decrease in these revenues will not affect the overall budget surplus or deficit, but will affect only expenditures under item B.

d. Not included in current government budget.

e. The supplementary budget declared by the government of Jordan is for development projects. Additional government development is doubtful.

Money Supply and Prices

33. The money supply in all of Jordan, according to official government statistics, increased 41 percent from April 1967 to April 1968. (For money supply in this period, see Table 3.) If the money supply on the West Bank has remained relatively constant, as the Jordanian government assumes, then the increase for East Bank residents must have been at least 60

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percent. This expansion resulted from increases in domestic government spending and decreases in tax receipts, which greatly raised the budget deficit on domestic transactions. Most of the increase in foreign aid, which more than covered the domestic deficit, was not spent on imports but rather was added to foreign exchange reserves and therefore did not take domestic currency out of circulation. All of the new money is in the form of currency in circulation. Demand deposits have dropped only slightly despite the lack of confidence in the economy. A small decrease in demand deposits in April reflected increased tension between Israel and Jordan.

Table 3

Jordan: Money Supply  
30 April 1967 - 30 April 1968

	Million US \$				
	30 April 1967	30 June 1967	31 December 1967	31 March 1968	30 April 1968
Currency in the hands of the public	89.5	116.7	143.9	154.7	161.4
Demand deposits	78.1	70.6	73.8	77.8	75.5
Money supply	167.6	187.3	217.7	232.5	236.9

34. In spite of the large increase in the money supply, prices on the East Bank since the June war have remained relatively stable. Lack of confidence in the future of the economy has induced consumers and businessmen to curb their rate of spending and to try to achieve greater liquidity. Fluctuations have occurred in food prices, reflecting availability of farm products. Based on a monthly average in 1967 of 100, the price index in June 1968 was 98.8, down 2.8 percent from the previous month. If confidence in the economy is restored, however, business and consumer demand will rise, and the increased money supply coupled with an increase in the turnover of this

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money could result in rapid inflation even though imports and production would also increase.

### Prospects

35. Jordan's short-run economic prospects are for a continuation for some time of the current low level of economic activity. So long as political uncertainty persists and military incidents along the ceasefire line with Israel recur, businessmen will continue to be pessimistic and very cautious concerning new investment. The government is pre-occupied almost exclusively with military matters and with the problems of political control. Under these circumstances, the East Bank economy has little chance of increasing economic activity, even with the acquisition of relatively large amounts of foreign aid.

36. Even if political stability is achieved, the prospects for economic revival during the next two years are only fair. Tourism, the most rapidly expanding sector of the economy before the war and the sector with by far the greatest potential, is largely lost to Jordan so long as Israel continues to occupy the West Bank and Jerusalem. Some gains, however, would be made in agriculture if quiet is restored in the East Ghor, and gradually private investment should grow. With greater stability, the government could devote a larger proportion of its energies to public investment, funds for which are already in hand.

37. In the long run, given political stability, Jordan, even without the West Bank, probably can regain much of the economic momentum that it had prior to the war. The potash and phosphate industries can be developed and expanded in view of expected rising demand for fertilizers in south and southeast Asia. Considerable development also can be expected in the important agricultural sector. Nevertheless, Jordan is not likely to become financially independent for many years, indicating a continuing long-term need for foreign aid.

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NATIONAL SECURITY COUNCIL

July 26, 1968

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WWR:

Here is the account of the Jordanian-Egyptian talks that Hal mentioned in staff meeting this morning. The most important points are that Nasser won't give up an inch of Arab territory, and that Rifai thinks we are being over-optimistic in our reading of Nasser.

  
John Foster

Att.  
Amman 5865

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SUMMARY

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By 15/111, NARA, Date 10/11/01

- BOWEN
- BUDGET
- DAVIS
- FRIED
- GUSPURN
- HAZLTON
- JESSUP
- JOHNSON
- JORDEN
- KEENE
- LEONHART
- SAUNDERS
- TAYLOR

~~SECRET~~ AMMAN 5865

LIMDIS

SUBJ: RIFAI REPORT ON DISCUSSIONS WITH NASSER AND RIAD

I. ON 24TH FONMIN GAVE ME BRIEF SUMMARY OF HIS MEETINGS WITH PRES NASSER AND FONMIN RAID IN CAIRO AND PROMISED A MORE EXTENSIVE REVIEW IN NEXT FEW DAYS. RIFAI HAD HAD FIVE MEETINGS WITH RIAD AND A DETAILED TALK WITH NASSER. THE BASIC POINT THAT EMERGED FROM THESE DISCUSSIONS IS THE UAR'S INSISTENCE THAT NOT A SINGLE INCH OF ARAB TERRITORY CAN BE LOST TO THE ISRAELIS IN ANY SETTLEMENT. THIS APPLIES TO EVERY PIECE OF OCCUPIED ARAB TERRITORY, INCLUDING JERUSALEM AND GAZA. HE SAID BOTH NASSER AND RIAD FEEL THE UAR HAS ALREADY GONE TOO FAR IN PUBLIC POSITIONS IT HAS TAKEN WITH REGARD TO ACCEPTING THE NOV 22 RESOLUTION AND AGREEING TO IMPLEMENT IT. IN SPITE OF UAR ACCEPTANCE AND OTHER INDICATIONS OF UAR "MODERATION," ISRAEL HAS NOT MOVED ONE STEP FORWARD. ISRAEL IS STILL BARGAINING ON MODALITIES AND FORUMS OF AGREEMENT AND THE UAR FEELS IT CANNOT GO ANY FURTHER THAN IT HAS GONE. RIFAI SAID HIS TALKS IN CAIRO LED HIM TO CONCLUDE THAT THERE IS CONSIDERABLE OVER-OPTIMISM ON THE PART OF BOTH JARRING AND THE US WITH RESPECT TO THE POSSIBILITY OF THE UAR EMGAGING IN JOINT MEETINGS AT SOME POINT. (AT THIS POINT I READ TO RIFAI FROM THE JULY 12 MEMCON OF PARKER'S CONVERSATION WITH GHORBAL ON THE POSSIBILITY OF DIRECT NEGOTIATIONS. RIFAI SIAD RIAD HAD TAKEN EXACTLY THE SAME LINE WITH HIM AND THAT, IN FACT, HE HAD LITTLE HOPE OF

SECRET



Department of State

TELEGRAM

31

~~SECRET~~

PAGE 02 AMMAN 05865 241408Z

THE UAR AGREEING TO ANY FORM OF JOINT MEETINGS.)

2. I ASKED RIFAI IF THE UAR POSITION ON NOT GIVING UP "A SINGLE INCH OF ARAB TERRITORY" WAS NOT A RETROGRADE STEP IN HIS VIEW. I SAID I HAD EARLIER UNDERSTOOD THE UAR HAD INDICATED JORDAN WOULD BE FREE TO WORK OUT ITS OWN SUBSTANTIVE ARRANGEMENTS WITH ISRAEL AND IN ARRIVING AT SECURE AND RECOGNIZED BOUNDARIES IT WAS UNDERSTOOD THERE MIGHT BE BORDER RECIFICATIONS INVOLVING SOME LOSS OR GAIN OF TERRITORY. RIFAI REPLIED THE DIFFERENCE WAS THAT AGREEMENT ON BOUNDARIES WOULD BE MUTUAL WHEREAS WHAT RIAD WAS REFERRING TO WAS JERUSALEM AND THE GAZA STRIP, OVER BOTH OF WHICH ISRAELI WAS ASSERTING SOVEREIGNTY UNILATERALLY. RIAD WAS EMPHASIZING THE PRINCIPLE OF THE "UNITY OF SOLUTIONS." THE RESOLUTION WAS A PACKAGE, NONE OF WHICH COULD BE IMPLEMENTED BY ANY ARAB STATE IF THE ISRAELIS WERE LEFT IN OCCUPATION OF ARAB TERRITORIES. (IN REPLY TO MY QUESTION RIFAI SAID THIS INCLUDED THE GOLAN HEIGHTS.)

3. RIFAI SAID ISRAEL'S PROCLAMATION OF THE UNIFICATION OF JERUSALEM AND WHAT HAD BEEN COMMUNICATED TO JORDAN BY BALL WITH REGARD TO THE ISRAELI POSITION ON JERUSALEM ARE COMPLETELY UNACCEPTABLE TO ALL ARABS. I COMMENTED THAT RIFAI HAS BEEN QUOTED AS SAYING THAT IF ISRAEL INSISTS ON ITS PRESENT JERUSALEM LINE, JORDAN AND THE OTHER ARABS WOULD INSIST UPON INTERNATIONALIZATION AS THE ONLY ALTERNATIVE. WAS THIS POSITION ON INTERNATIONALIZATION CONSISTENT WITH RIAD'S POSITION ON NOT GIVING UP ANY ARAB TERRITORY? RIAD REPLIED THAT OF COURSE IT WAS CONSISTENT BECAUSE THE OTHER ARAB STATES HAD ALWAYS SUPPORTED THE INTERNATIONALIZATION OF JERUSALEM AND, THEREFORE, THIS WOULD NOT MEAN GIVING UP OF ARAB TERRITORY.

4. WITH REGARD TO THE TWO QUESTIONS THAT EBAN HAD ASKED JARRING TO PUT TO THE UAR, RIFAI SAID THAT EVEN IF JARRING PUTS THEM TO THE UAR, HE DOUBTS THAT ANY PROCESS OF DISCUSSION WILL MATERIALIZE.

5. I TOLD RIFAI THAT I FOUND HIS SUMMARY OF THE CAIRO TALKS MOST DISCOURAGING. HIS RESPONSE WAS THAT WHEN HE HAD A CHANCE TO BRIEF ME ON THE DETAILS I MIGHT BE EVEN MORE DISCOURAGED.

6. COMMENT: ON THE OTHER HAND, BRITISH AMB ADAMS, WHO SAW RIFAI EVEN MORE BRIEFLY THAN I IN CONNECTION WITH ANOTHER MATTER, SAID RIFAI HAD TOLD HIM THE TALKS IN CAIRO HAD GONE

SECRET



Department of State

TELEGRAM

3/

SECRET

PAGE 03 AMMAN 05865 241408Z

"PRETTY WELL" AND THAT HE WOULD BRIEF HIM IN A FEW DAYS. ADAMS:  
AND I WILL COMPARE NOTES AS SOON AS WE GET DETAILS.

SYMMS

SECRET

*Talk about this too  
if it will wait*

*James to B. Smith*

VZCZCEEA245  
OO WIE10  
DE WTE 2111

Received Washington CommCen  
7:00 P.M. EDT Friday 31 May 68

Received LBJ Ranch CommCen  
6:55 P.M. CDT Friday 31 May 68

~~SECRET~~ NODIS

FROM WALT ROSTOW  
TO THE PRESIDENT  
CITE CAP81204



~~SECRET~~ NODIS

MAY 31, 1968

KING HUSSEIN IS AGAIN WORRIED BY RUMORS OF AN IMMINENT ISRAELI ATTEMPT TO SEIZE TERRITORY ON THE EAST BANK IN NORTHERN JORDAN FROM WHICH SOME TERRORISTS OPERATE. HE HAS ASKED AMBASSADOR SYMMES FOR A STATEMENT "FROM THE HIGHEST AUTHORITY IN USG" OF OUR PRESENT ATTITUDE TOWARD THE INDEPENDENCE AND TERRITORIAL INTEGRITY OF JORDAN.

WE DO NOT BELIEVE ISRAEL PLANS SUCH A MOVE, ALTHOUGH WE CAN NEVER RULE OUT AN ATTACK AGAINST TERRORIST BASES. WE DON'T KNOW WHY HUSSEIN IS BEING FED THESE RUMORS, BUT IT MAY BE AN EFFORT TO KEEP HIM UNEASY ABOUT TRYING TO DEAL WITH ISRAEL. OR IT MAY SIMPLY BE NORMAL OPERATION OF THE ARAB RUMOR MILL.

ALTHOUGH WE DO NOT BELIEVE THESE RUMORS, WE DO THINK IT WOULD BE A GOOD IDEA TO RESTATE ASSURANCES WE HAVE GIVEN HIM BEFORE AS A BACKGROUND FOR POSSIBLE NEGOTIATION WITH THE ISRAELIS. THIS, RATHER THAN CURRENT RUMORS, MAY BE WHAT IS REALLY ON HIS MIND IN MAKING THIS REQUEST, AND WE WANT HIM TO KNOW THAT OUR POSITION REMAINS AS WE DESCRIBED IT TO HIM LAST NOVEMBER.

**DECLASSIFIED**

Authority FRUS, Vol. xx # 183  
By ry NARA, Date 9-21-01

THE ONE ELEMENT IN THIS MESSAGE THAT WOULD BE NEW IS OUR SAYING WE WOULD OPPOSE ANY ACQUISITION OF TERRITORY BEYOND PRESENT CEASE FIRE LINES. WE HAVE NOT HAD TO FACE THAT, BUT I CANNOT BELIEVE EVEN THE ISRAELIS WOULD EXPECT US TO SIT BACK QUIETLY IF THEY TRIED TO TAKE NEW TERRITORY ACROSS THE JORDAN RIVER.

NICK KATZENBACK RECOMMENDS THAT AMBASSADOR SYMMES BE AUTHORIZED TO CONVEY URGENTLY THE FOLLOWING ORAL MESSAGE FROM YOU TO HUSSEIN:

"YOUR APPREHENSIONS CONCERNING FUTURE SANCTITY OF JORDANIAN TERRITORY HAVE BEEN BROUGHT TO MY ATTENTION. I WISH AGAIN TO ASSURE YOU, AS I DID IN MY LETTER OF FEBRUARY 11, THAT IT IS OUR POLICY AND OUR INTEREST TO CONTINUE OUR CLOSE RELATIONSHIP AND OUR SUPPORT OF THE HASHEMITE KINGDOM OF JORDAN. AS AMBASSADOR SYMMES HAS INDICATED TO YOU, WE HAVE MADE ABUNDANTLY CLEAR TO THE GOVERNMENT OF ISRAEL OUR POLICY TOWARD THE CONTINUED INDEPENDENCE AND INTEGRITY OF YOUR COUNTRY. FROM OUR TALKS LAST NOVEMBER, YOU KNOW OF OUR POSITION ON THE ULTIMATE DISPOSITION OF THE WEST BANK AND JERUSALEM. YOU SHOULD ALSO KNOW THAT WE WOULD STRONGLY OPPOSE ANY OCCUPATION OF TERRITORY BEYOND THE PRESENT CEASE-FIRE LINES. I RECOGNIZE THAT YOUR MAJESTY HAS SOUGHT TO PREVENT USE OF JORDANIAN TERRITORY TO MOUNT ACTS OF VIOLENCE ACROSS THE CEASE FIRE LINE AND URGE THAT CONTINUED EFFORTS BE MADE TO PREVENT THESE ACTIONS WHICH PROMOTE INSTABILITY AND ARE AN IMPEDIMENT TO PROGRESS TOWARD PEACE. I WISH ALSO TO ASSURE YOU THAT WE ARE CONTINUING OUR EFFORTS TO BRING ABOUT A JUST SETTLEMENT IN THE NEAR EAST WHICH IS, AFTER ALL, THE ONLY SOLUTION TO THE PROBLEM ABOUT WHICH WE ARE BOTH CONCERNED."

APPROVE -----

DISAPPROVE -----

~~SECRET~~ ~~NO DIS~~

DTG 312300Z MAY 1968

2092-A

INFORMATION

328

~~SENSITIVE~~

THE WHITE HOUSE  
WASHINGTON

~~SECRET~~

EYES ONLY

Saturday, June 29, 1968 - 1:10 pm

Mr. President:

(2)

Rec'd  
1:20  
1/7

Herewith a most sensitive document indicating:

-- A 17 July meeting in London between Herzog and the Jordanian Foreign Minister;

-- Agreement in principle to a Hussein-Eshkol meeting in the Eilat-Aqaba area later, if Hussein concludes such a meeting could be conducted securely.

Also attached is a conversation of Ball's with Bunche, which indicates that:

-- Jarring received a much more forthcoming proposal from Cairo than he had expected;

-- The Soviets may be pushing the Jarring mission rather than trying to force a Security Council confrontation;

-- George Ball's conclusion is that we must now get a more forthcoming position from Israel with respect to direct negotiations, plus "an indication as to where Israel considers secure boundaries should be drawn."

A good deal hinges on Nasser's discussions in Moscow next week.

~~DECLASSIFIED SECRET~~

Walt Rostow

Authority FRUS Vol. XX #204  
By g NARA, Date 9-20-01



Department of State

TELEGRAM

~~SECRET~~

PP RUEHCR  
DE RUEHDT 5797 1802220  
ZNY SSSSS ZZH  
P 282150Z JUN 68  
FM USMISSION USUN NY  
TO SECSTATE WASHDC PRIORITY 3440  
STATE GRNC  
BT

CONTROL: 7902Q  
RECEIVED: JUNE 28, 1968  
9:18 P.M.

~~SECRET~~ USUN 5797

*Rostow*

NODIS

SUBJ: MIDDLE EAST - CONVERSATION WITH BUNCHE

I PAID INITIAL CALL ON BUNCHE JUNE 28 ACCOMPANIED BY BUFFUM.

BUNCHE ELABORATED ON LATEST EXCHANGES BETWEEN UAR AND JARRING PRIOR LATTER'S DEPARTURE FROM NY. BUNCHE SAID WHILE EL KONY HAD CONTINUED TAKE HARD LINE, MOHAMED RIAD (WHO RECENTLY ARRIVED FROM CAIRO) MET PRIVATELY WITH JARRING AT HIS HOTEL AND DISPLAYED MUCH MORE FORTHCOMING ATTITUDE. THIS CONNECTION, BUNCHE REVEALED RIAD GAVE JARRING WRITTEN SET OF QUESTIONS AND ANSWERS THAT HAD BEEN PREPARED BY FRENCH GOVT ON ELEMENTS OF A SETTLEMENT; UAR RESPONSE TO THESE QUESTIONS INDICATED A FAR GREATER FLEXIBILITY THAN JARRING HAD FOUND IN PREVIOUS EXPLORATIONS IN CAIRO. AS RESULT JARRING THOUGHT HE NOW "HAD SOMETHING". (BUNCHE STRESSED THIS INFO PARTICULARLY SENSITIVE AND IS KNOWN ONLY TO OURSELVES). RIAD INDICATED IT NOT NECESSARY TIE OPENING OF SUEZ CANAL TO SOLUTION OF REFUGEE PROBLEM AS THEY HAD PREVIOUSLY REQUIRED. MOREOVER, WHILE UAR CONTINUED OPPOSE IDEA OF DIRCT NEGOTIATIONS, RIAD DID NOT EXCLUDE POSSIBILITY OF DIRECT TALKS ONCE ISRAELIS ARE COMMITTED TO WITHDRAW THROUGH DECLARATION OF INTENT AND PRIOR TO ACTUAL FULL IMPLEMENTATION.

BUNCHE HAD NO REPORT YET FROM JARRING'S TALK IN STOCKHOLM WITH UAR FONMIN. BUNCHE INDICATED THAT JARRING WOULD BE PUTTING SPECIFIC SUGGESTIONS TO THE PARTIES DURING HIS TALKS IN EUROPE BUT DID NOT REVEAL CONTENTS OF THESE PROPOSALS.

WE RAISED QUESTION ABOUT REPORTS JARRING INTENDED PURSUE IDEA OF A TIMETABLE FOR IMPLEMENTING SC RES. BUNCHE ADMITTED THIS HAD BEEN PROBLEM UP TO A FEW WEEKS AGO; UAR ORIGINALLY PROPOSED THIS, HE SAID, AND FOR A TIME SAME SUGGESTION WAS

DECLASSIFIED

EO. 12958 Sec. 3.5

NLJ-S 98001

By AC/111 NARA, Date 10/4/01

~~SECRET~~

PRESERVATION COPY

~~SECRET~~

~~SECRET~~

-2- USUN 5797, JUNE 28

PUSHED BY USSR. (EVEN CARADON (UK) HAD ADVOCATED SUCH APPROACH, SAID BUNCHE, IN HOPE INJECTING SOME NEW ELEMENT WOULD STAVE OFF SC MEETING). HOWEVER, ISRAELIS HAD SAID EXPLICITLY IF JARRING WERE TO ADVANCE TIMETABLE THIS WOULD MEAN THE END OF HIS MISSION. SUBSEQUENTLY, ARABS AND SOVS SEEMED TO DROP IDEA SINCE KUZNETSOV NEVER MENTIONED IT DURING HIS FAREWELL TALK WITH JARRING, AND MOHAMED RIAD WENT SO FAR IN HIS LAST CONVERSATION WITH JARRING TO SUGGEST HE COULD FORGET ABOUT THIS IDEA.

ALL OF THIS ADDED UP, IN BUNCHE'S VIEW, TO DEGREE OF UAR FLEXIBILITY UN HAD NOT SEEN HERETOFORE. THEREFORE, SAID BUNCHE, THE PROBLEM IS NOW FOR ISRAEL TO RELENT ON ITS REQUIREMENT FOR DIRECT NEGOTIATIONS AND ON ITS ADAMANT REFUSAL TO GIVE JARRING ANY INDICATION AS TO WHERE IT CONSIDERS SECURE BOUNDARIES SHOULD BE DRAWN. AS BUNCHE PUT IT, IF THIS REMAINS ISRAEL'S POSITION, THERE IS REALLY NOTHING FOR JARRING TO DO. IF DIRECT TALKS COULD TAKE PLACE, HE IS NOT NEEDED; WITHOUT SOMETHING OF SUBSTANCE FROM ISRAEL WHICH HE CLD PUT TO THE ARABS, HE HAS NO ROLE TO PLAY WITH THEM. BUNCHE INDICATED THAT AN EXPRESSION BY THE ISRAELIS AS TO WHAT THEY MEAN BY SECURE BOUNDARIES WLD SERVE IMPORTANT PURPOSE, EVEN THOUGH IT WOULD BE INITIALLY UNACCEPTABLE TO ARABS, SINCE THEY WLD RECOGNIZE IT AS AN ISRAELI OUTSIDE BARGAINING POSITION. YET IT CLD GET THE PROCESS STARTED.

BUNCHE MADE CLEAR THAT IF JARRING FAILS TO OBTAIN ANY SUBSTANTIVE HELP FROM EBAN, HE WILL "STALL AROUND" A LITTLE WHILE AFTER HIS RETURN, THEN MAKE A FINAL REPORT THAT WILL PUT END TO HIS MISSION. THE RESULT WLD INEVITABLY BE A REFERENCE BACK TO THE SC IN AUG WITH ISRAELIS BEING IN EVERYBODY'S DOGHOUSE. BUNCHE SAID JARRING WLD FIND NO PERCENTAGE IN CONTINUING TALKS IN NY SINCE UN REPS CLEARLY UNABLE CONTRIBUTE AS MUCH AS CLD BE OBTAINED FROM CAPITALS; EL KONY (UAR) AND EL-FARRA (JORDAN) UNSURE OF WHAT THEY SHOULD SAY AND DESPARATELY AFRAID OF MAKING MISTAKES.

BUNCHE SAW AN INTERESTING IMPLICATION IN THE CHANGE OF SOV ATTITUDE IN THAT WHILE THE SOV UNION HAD INITIALLY PRESSED JARRING VERY HARD NOT TO STAY AWAY FROM HIS MOSCOW POST TOO LONG, KUZNETSOV AND MALIK HAD RECENTLY BOTH MADE CLEAR TO JARRING THAT HE WAS TO TAKE ALL THE TIME NECESSARY TO COMPLETE HIS MISSION.

~~SECRET~~

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~~SECRET~~

-3- USUN 5797, JUNE 28

BUNCHE ALSO COMMENTED (THOUGH THIS SEEMED INCONSISTENT WITH HIS REPORT OF INCREASED UAR FLEXIBILITY) THAT WHEREAS CAIRO HAD APPEARED ANXIOUS FOR EARLY SETTLEMENT UP TO 3 MONTHS AGO, EGYPTIANS NOW SEEMED MUCH MORE RELAXED ABOUT NEED FOR RAPID PROGRESS SAYING SETTLEMENT COULD WAIT 5 YEARS IF NECESSARY (BUNCHE UNSURE WHETHER THIS WAS TACTICAL DEVICE OR WHETHER THEY CONCLUDED GOI WOULD INCREASINGLY FEEL HEAVY COSTS INCURRED FROM PROTRACTED OCCUPATION OF ARAB TERRITORY).

COMMENT: FROM OUR OWN POINT OF VIEW, BUNCHE'S REMARKS SEEMED STRONGLY TO REINFORCE THE NEED FOR A MAJOR AMERICAN DEMARCHE TO GOI IMMEDIATELY AFTER JARRING RETURNS IF, AS BUNCHE PREDICTS, HE WILL BE UNEQUIPPED WITH ANY SUBSTANTIVE CONTRIBUTION FROM ISRAEL. BUNCHE INDICATED AWARENESS OF ISRAELI DEMESTIC PROBLEMS AND ASSUMED AS RESULT OF THIS JARRING WOULD COME BACK FROM HIS TALK WITH EBAN EMPTY-HANDED. BUNCHE ALSO INDICATED THAT IN HIS VIEW THE JORDANIANS WERE NOT AND WOULD NOT SAY ANYTHING IMPORTANT TO THE ISRAELIS BY THEMSELVES WITHOUT UAR TAKING THE LEAD.

BUNCHE ALSO INDICATED FOR THE FIRST TIME HE EXPECTED SYRIA WOULD GO ALONG WITH THE SETTLEMENT ONCE THE UAR HAS BROKEN THE ICE BASED ON TALK HE HAD WITH DEPARTING SYRIAN REP YESTERDAY.

GP-1.

BALL  
BT

~~SECRET~~

~~SECRET~~

50

329

INFORMATION

THE WHITE HOUSE  
WASHINGTON

~~SECRET~~

Thursday, June 27, 1968  
7:45 p.m.

*Rec'd  
806  
8-1-68*

Mr. President:

Whether we take a Middle East initiative depends, in fact, on whether Israel-Jordan bilateral talks work out.

I asked [ ] to find out where they stand. Here is his memo.

3.3(b)(1)

The answer thus far: not hopeful; but not yet broken off.

*Walt* Rostow

~~SECRET~~

Sent to the ~~radio~~ <sup>330</sup>  
evening of 5-31.  
(State memo ~~not~~ sent.)

~~EM~~

F  
S

Mr. Rostow

330a

SECRET/NODIS

May 31, 1968

FOR THE PRESIDENT  
FROM WALT ROSTOW

King Hussein is again worried by rumors of an imminent Israeli attempt to seize territory on the East Bank in northern Jordan from which some terrorists operate. He has asked Ambassador Symmes for a statement "from the highest authority in USG" of our present attitude toward the independence and territorial integrity of Jordan.

We do not believe Israel plans such a move, although we can never rule out an attack against terrorist bases. We don't know why Hussein is being fed these rumors, but it may be an effort to keep him uneasy about trying to deal with Israel. Or it may simply be normal operation of the Arab rumor mill.

Although we do not believe these rumors, we do think it would be a good idea to restate assurances we have given him before as a background for possible negotiation with the Israelis. This, rather than current rumors, may be what is really on his mind in making this request, and we want him to know that our position remains as we described it to him last November.

The one element in this message that would be new is our saying we would oppose any acquisition of territory beyond present cease-fire lines. We have not had to face that, but I cannot believe even the Israelis would expect us to sit back quietly if they tried to take new territory across the Jordan River.

SECRET/NODIS

DECLASSIFIED  
Authority FRUS, Vol. XX, # 183  
By My NARA, Date 9-21-01

*Nick Katzgubach*  
State recommends that Ambassador Symmes be authorized

to convey urgently the following oral message from you to Hussein:

"Your apprehensions concerning future sanctity of Jordanian territory have been brought to my attention. I wish again to assure you, as I did in my letter of February 11, that it is our policy and our interest to continue our close relationship and our support of the Hashemite Kingdom of Jordan. As Ambassador Symmes has indicated to you, we have made abundantly clear to the Government of Israel our policy toward the continued independence and integrity of your country. From our talks last November, you know of our position on the ultimate disposition of the West Bank and Jerusalem. You should also know that we would strongly oppose any occupation of territory beyond the present cease-fire lines. I recognize that Your Majesty has sought to prevent use of Jordanian territory to mount acts of violence across the cease-fire line and urge that continued efforts be made to prevent these actions which promote instability and are an impediment to progress toward peace. I wish also to assure you that we are continuing our efforts to bring about a just settlement in the Near East which is, after all, the only solution to the problem about which we are both concerned."

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

SECRET/EXDIS

3302

DEPARTMENT OF STATE  
WASHINGTON

MEMORANDUM FOR THE PRESIDENT

Subject: Oral Message for King Hussein

King Hussein has expressed his apprehension at intelligence reports that Israel plans to seize additional Jordanian territory and has requested a statement of the United States attitude towards the independence and territorial integrity of Jordan. Although we have no evidence which would support the King's fears, we believe a reaffirmation of our policy towards Jordan is warranted. The enclosed proposed oral message is in the spirit of your letter to the King of February 11.

*Malcolm D. Stewart*  
Under Secretary

Enclosure:

Text of Suggested Message.

SECRET/EXDIS

DECLASSIFIED  
EO. 12958 Sec. 3.5  
NLJ-S 98001  
By *26/11* NARA, Date *10/4/01*

~~SECRET/EXDIS~~

330c

DEPARTMENT OF STATE

Suggested Message

Suggested message to King Hussein: Your apprehensions concerning future sanctity of Jordanian territory have been brought to my attention. I wish again to assure you, as I did in my letter of February 11, that it is our policy and our interest to continue our close relationship and our support of the Hashemite Kingdom of Jordan. As Ambassador Symmes has indicated to you, we have made abundantly clear to the Government of Israel our policy toward the continued independence and integrity of your country. From our talks in November 1967 you know of our position with respect to the ultimate disposition of the West Bank and Jerusalem. You should also know that we would strongly oppose any occupation of territory beyond the present cease-fire lines. I recognize that Your Majesty has sought to prevent use of Jordanian territory to mount acts of violence across the cease-fire line and urge that continued efforts be made to prevent these actions which promote instability and are an impediment to progress toward peace.

I want also to assure you that we are continuing our efforts to bring about a just settlement in the Near East which is, after all, the only solution to the problem about which we are both concerned.

~~SECRET/EXDIS~~

DECLASSIFIED

Authority FRUS. Vol. XX # 183  
By lj NARA, Date 9.21.01

332

~~CONFIDENTIAL~~

May 6, 1968

MEMORANDUM FOR WALT ROSTOW

SUBJECT: Jordanian Potash Project

When John McCloy saw the President, he reported King Hussein's concern that an American company join the Jordanian potash development project.

Before the June war, two American companies--W. R. Grace and Tenneco--were just about ready to join a consortium with AID, the Kuwait Development Fund, and the Government of Jordan to proceed with this \$100 million project. The war disrupted those plans.

Since the war, Grace has dropped out, but Tenneco is still interested. To get things moving, the World Bank in February outlined to the Jordanian government a scheme whereby the Jordanians and AID and the Bank together could get started on the work in such a way as to leave the door open for private companies to join them within a year. At the same time, the Bank put this proposition to Tenneco.

We are now awaiting the two following steps:

1. A response from the Jordanian Government to the proposal by the World Bank. If King Hussein wants to move this project, his answer is necessary.
2. Tenneco's response to the Bank's proposition, which should be in shortly. If it is not quite satisfactory, then will be the time for the USG to persuade Tenneco to join, and this is the point at which some sort of special US guarantee might come in.

I will let you know as soon as we have the Tenneco response.

Harold H. Saunders

DECLASSIFIED  
E.O. 12958 Sec. 3.5  
NLJ-S 98001  
By agill, NARA, Date 10/14/01

~~CONFIDENTIAL~~

Set up a meeting.

LBJ;mr  
5/7/68  
7:25pm

1  
file 333

MEMORANDUM

ACTION

THE WHITE HOUSE  
WASHINGTON

333a

~~CONFIDENTIAL~~

Saturday, May 4, 1968 -- 1:30 p.m.

*Rec'd  
20p*

Mr. President:

The Jarring mission is running out of steam.

We have two choices: (1) We can make a last-minute effort to get negotiations going under Jarring; or (2) we can wait and face the problem of what to do when he resigns after he has submitted his final report. Doing anything significant either now or later will require some sort of heart-to-heart talk with Israel.

I believe that the situation has now reached a stage where no one but you should decide our course. Doing nothing now may well be a decision to let the Jarring mission die.

Unless you are confident that we are on the right course, I recommend a special meeting soon to hear argument on what our course should be.

*Walt*. Rostow

Set up a meeting \_\_\_\_\_

No \_\_\_\_\_

Call me \_\_\_\_\_

DECLASSIFIED  
E.O. 12958 Sec. 3.5  
NLJ-S 98001  
By ry/ll, NARA, Date 10/14/01

~~CONFIDENTIAL~~

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

334

~~SECRET~~

Monday, April 29, 1968

Mr. President:

Rec'd  
6/23/68

Attached is Secretary Clifford's summary of where we stand on our Jordan arms program, which you requested.

The one point I might add is that Israel, Jordan and Jarring are all focussing seriously now on the chances for an Israel-Jordan political settlement without the UAR. If Hussein takes that route, he will need our support more than ever. We don't know yet exactly what that might involve, but the arms program must be seen today in that context as well as in the light of our more general support for Jordan.

W. R.

DECLASSIFIED

Authority NLT 97-283 (#38)

By h/lls NARA, Date 9-20-01

~~SECRET~~

~~SECRET~~

1426

334a

THE SECRETARY OF DEFENSE  
WASHINGTON

27 APR 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: US Arms for Jordan

In response to your inquiry on the subject of arms for Jordan, I attach for your consideration at Tab A, what we agreed to, and the current status of our commitments at Tab B.

To summarize where we are, we have authorized the release of previously financed MAP grant aid in the amount of \$3.8 million and some residual ground force equipment previously sold to Jordan in 1965. In addition, we have agreed to sell F-104 aircraft and ground force equipment (except heavy artillery). Such sales amount to about \$73.3 million and include 18 F-104 aircraft; 100 M48 tanks; 43 Armored Personnel Carriers; 23 artillery pieces; 1,035 miscellaneous vehicles; communications and engineer equipment; ammunition and spare parts.

We have not yet made substantial deliveries of the materiel involved except some MAP grant aid which arrived in Amman this week. We have approved an airlift of some of the ground force equipment that Jordan is buying. This airlift will involve ten C-141 aircraft, cost to be borne by Jordan.

*Clark M. Siggard*

Attachments - 2

DECLASSIFIED

Authority NLJ97-278 (#386)  
By iw/85 NARA, Date 9-20-01

Sec Def Cont Nr. X-2623

~~SECRET~~

334 b

| A

TAB A

US-JORDAN ARMS AGREEMENT

The Memorandum of Understanding and Protocol thereto was the basis of the US-GOJ negotiations consummated on 28 March 1968.

The Jordanian commitments which are in the Protocol relate to

- (1) Jordanian reaffirmation of its policy of procuring all of its defense needs from Western sources;
- (2) An annual review of Jordanian military requirements;
- (3) A financial ceiling on Jordan's indigenously financed budget during CY 1968 at no more than \$56.5 million;
- (4) Full secrecy on all matters concerning the United States offer;
- (5) Jordan's assurance that it will not purchase major items of military equipment from other than United States sources without U.S. approval.

The Memorandum of Understanding commits the United States

- (1) To resume shipment of undelivered FY 1966-67 MAP Grant Aid;
- (2) To resume shipment of suspended ground force equipment sold to Jordan under a 1965 agreement;
- (3) To replace the bulk of ground force equipment lost in the June hostilities by selling specified items on a reimbursable basis;
- (4) To deliver eighteen F-104 aircraft and related equipment at a cost of approximately \$30.5 million;
- (5) To sell ground control radar equipment at a cost of approximately \$2.8 million;
- (6) To consider at some future point up to eighteen additional aircraft of a type to be mutually agreed upon.

334-d

1  
B

STATUS OF JORDAN ARMS PACKAGEGRANT MAP (\$3.8 million)

First shipment (target drone system; aiming circles; mortar sights, radios and spare parts) arrived in Jordan on 24 April (via weekly Military Airlift Command weekly flight). Ammo (11,300 Rds 105mm; 5250 Rds 106mm; 200 Rds 155mm) scheduled for sealift to arrive in Jordan on 7 June. Other miscellaneous equipment amounting to less than \$1.0 million is scheduled to move to Jordan via sealift over next few months.

SUSPENDED GROUND FORCE EQUIPMENT SOLD TO JORDAN IN 1965 (\$7.0 million)

In March 1965 the US agreed to sell to Jordan ground force equipment in the amount of \$44 million of which \$15 million was on credit terms. The bulk of the equipment sold to Jordan was delivered prior to the June Arab-Israeli hostilities. Some 200-300 various radios and miscellaneous spare parts suspended during the June Arab-Israeli hostilities are now scheduled to arrive in Jordan during May-June.

SALE OF GROUND FORCE EQUIPMENT LOST IN THE JUNE HOSTILITIES (\$40 million)

The appropriate sales documents have been transmitted to Amman for signature and deposit of funds by the Jordanians. The US has requested a deposit of \$25 million to cover deliveries of the ground force equipment through CY 1968. The balance will be delivered by the end of 1970. Some of the key items are 100 tanks (M48A1), 43 Armored Personnel Carriers, 23 105mm self-propelled artillery pieces and 24 self-propelled 40mm AA guns. An airlift involving ten C141 aircraft has been agreed to at Jordanian expense.

SALE OF 18 F-104 AIRCRAFT AND RELATED EQUIPMENT (\$30.5 million)

The appropriate sales documents are in Amman for signature and deposit of necessary funds by the Jordanians. Jordan has previously deposited \$10.0 million on this transaction and is being asked to pay \$10 million in 1968 and \$10.5 million in 1969 on this transaction.

GROUND CONTROL RADAR EQUIPMENT (\$2.8 million)

The Jordanians are still studying the specific requirements.



THE WHITE HOUSE  
WASHINGTON

335

SECRET

Thursday, April 25, 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Late Note Before You See John McCloy at 11:45 a. m.

When John McCloy saw King Hussein during his recent trip, Hussein was discouraged about our arms program. At that time, he had asked for certain items to be airlifted, and McCloy may raise this with you.

Paul Nitze has just agreed to a total of 13 flights to Jordan. The first 3 of these will simply be regular US military supply flights into Jordan which, among other material for our people, will also carry some communications and other such logistical equipment included in the Jordanian package. Then there will be 10 special flights, at Jordan's expense, beginning in 2-3 weeks and carrying such things as jeeps and recoilless rifles.

This action partly takes care of Hussein's complaint to McCloy. However, his main concern was discouragement over delays by Israel and Nasser in getting peace talks started. I'm sure he wishes we could lean harder on Israel.

W. W. Rostow

SECRET

*Hald for Rostow*

336

~~SECRET~~

April 17, 1968

MEMORANDUM FOR WALT ROSTOW

SUBJECT: Airlift of Equipment to Jordan

The attached memorandum [redacted] reports another request from General Khammash that we airlift some of the equipment included in our recent arms agreement.

3.3(b)(1)

We have already arranged two or three regular supply flights of non-lethal equipment down from Turkey. State and Defense are now arguing over whether to arrange 10-15 special flights to carry a few of the AA guns and other combat equipment to make a psychological impact such as we tried for after the Israeli raid on Samua in 1966.

Luke is trying to push this to urgent decision. Therefore, we do not have a solid proposal yet, and I would recommend giving him another day or two to work one/but with Defense. If he can, then we would probably want to tell the President since it would dramatize our arms shipments to Jordan at a time when military exchanges across the Jordan River continue. Until we have a recommendation, however, you may not want to distract him from other more important issues.

*Hal*

Harold H. Saunders

~~SECRET~~

SANITIZED  
E.O. 13526, Sec. 3.5  
NLJ 15-44  
By Ch NARA, Date 12-6-15



Department of State

336a  
**TELEGRAM**

48

~~SECRET~~ 795

PAGE 01 STATE 147492

82  
ORIGIN NEA 15

INFO EUR 15, GPM 03, NSC 10, CIAE 00, INR 07, NSAE 00, RSC 01, DODE 00,

IGA 02, AID 28, /081 R

DRAFTED BY: DOD/ISA:RMURRAY  
APPROVED BY: NEA/ARN-ROBERT B. HOUGHTON

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ/RAC 02-246  
By iss, NARA, Date 6-24-03

R 161734Z APR 68  
FM SECSTATE WASHDC  
TO AIE/BASSY AMMAN  
INFO AMEMBASSY LONDON  
CINCSTRIKE

~~SECRET~~ STATE 147492

JOINT STATE/DEFENSE MESSAGE

SUBJECT: JORDAN ARMS - AIRLIFT

REF: AMMAN 4311

1. TENTATIVE SCHEDULE OF AIR SHIPMENT OF MAP GRANT AID ITEMS AS FOLLOWS:

2. DEPARTMENT OF THE ARMY HAS BEEN ASKED TO INCLUDE FOLLOWING FY 67 MAP GRANT AID ITEMS ON MAC FLIGHT ARRIVING AMMAN ON

PAGE 2 RUEHC 147492 ~~SECRET~~  
24 APRIL.

A. DRONE TARGET SYSTEM (EXCEPT FOR 3 ITEMS OF TOOL SETS WHICH ARE SCHEDULED FOR 30 APRIL FLIGHT) INCLUDING 20 DRONES.

B. 38 EACH AIMING CIRCLES.

C. 10 EACH MORTAR SIGHTS (THIS ALL THAT NOW AVAILABLE.)

~~SECRET~~



Department of State

TELEGRAM

~~SECRET~~

PAGE 02 STATE 147492

BALANCE WILL BE SCHEDULED FOR SUBSEQUENT MAC FLIGHTS: AS THEY BECOME AVAILABLE FROM NEW PROCUREMENT).

- D. 21 EACH AN/VRC 10 RADIO SETS.
- E. 20 EACH AN/PRC 10 RADIO SETS.
- F. 32 EACH INSTALLATION UNITS FOR RADIO SETS AN/GRC8.
- G. VARIOUS QUANTITIES SPARE PARTS CURRENTLY AVAILABLE.

PAGE 3 RUEHC 147492 ~~SECRET~~

3. AMMUNITION FOR SOME TIME HAS BEEN PACKED FOR SEA SHIPMENT. ARMY HAS ALREADY ORDERED SUPPLY ACTION ON PRIORITY BASIS FOR SHIPMENT FIRST AVAILABLE VESSEL. TO TRANSFER NOW TO AIR WOULD BE COSTLY AND TIME CONSUMING.

4. WE WILL BE IN TOUCH WITH YOU SHORTLY AS TO SHIPMENT OF OTHER MAP AND NON-MAP ITEMS. GP-3. RUSK

~~SECRET~~

C O P Y

336-c

25 January 1968

MEMORANDUM FOR: The President

EO 12958 3.4(b)(1)>25Yrs  
(C)

1.

called on me late afternoon 23 January 1968. I was impressed by his detailed discourse on the mood in Jordan, the vulnerability of King Hussein, the conversations with the Soviet leaders in Moscow and Amman and Hussein's desire to achieve peace with Israel -- even at great risk to himself and the future of his dynasty.

2. This conversation re-enforces my impression that the situation in Jordan is fragile, that Jordan remains an essential element of any favorable solution in the Middle East and that time is running out for Hussein's moderate regime.

3. Hussein is caught in the middle between the radical Arab forces centered in Syria which support an escalation of terrorism and resistance and an insistent Israeli position that Jordan can and must assume the responsibility for these hostile acts. Each incident -- particularly those which lead to an Israeli punitive retaliatory move involving Israeli aircraft against a Jordan that has no air defense -- further undermines

SANITIZED  
E.O. 12958, Sec. 3.6  
NLJ 02-257  
By us, NARA, Date 8-20-03

~~SECRET~~  
C O P Y

- 2 -

Hussein's position. Hussein becomes more vulnerable to the charges that he has been unable to demonstrate any capacity for recovery from the June war.

EO 12958 3.4(b)(1)>25Yrs  
(C)

4. [ ] emphasized that he regards a public commitment to provide Jordan arms as primarily a political action that is essential in the short-term to Jordan's survival. If peace with Israel can be achieved, the delivery of the arms will not be necessary. If some sort of settlement with Israel is not achieved, the question of Jordan's survival will probably become acute before any significant arms deliveries are possible.

5. After questioning [ ] on the details of Jordanian exchanges with the Soviet political and military leaders, we have concluded that the King and [ ] in a mood of desperation, have for the first time engaged in a serious consideration of Soviet arms as an alternative to their destruction. Considerable skill has been demonstrated by the Soviets in the handling of both Hussein and [ ]

EO 12958  
3.4(b)(1)>25Yrs  
(C)

/s/ Richard Helms  
Director

EO 12958 3.4(b)(1)>25Yrs  
(C)

cc: The Secretary of State  
The Secretary of Defense

~~SECRET~~



Department of State

UAR 337a  
TELEGRAM

SUMMARY

47

~~SECRET~~ 668

PAGE 01 AMMAN 04264 082005Z

49  
ACTION SS 70

INFO SSO 000/070 W

P R 081729Z APR 68  
FM AMEMBASSY AMMAN  
TO SECSTATE WASHDC PRIORITY 5190  
INFO AMEMBASSY TEL AVIV 1486  
AMEMBASSY BEIRUT 1421  
USUN NY 0847

- BOWDLER
- BUDGET
- DAVIS
- FRIED
- GARDNER
- HAMILTON
- JESSUP
- JOHN
- JORDAN
- KEENE
- LEONHART
- ROCHE
- SAUNDERS
- TAYLOR

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 02-261  
By us, NARA, Date 6-6-03

~~SECRET~~ AMMAN 4264

LIMIDS NOFORN

DEPT PASS CAIRO

SUBJ: HUSSEIN'S IMPRESSIONS OF CURRENT UAR INTERNAL SITUATION

REF AMMAN 4252 NOTAL

1. IN CONVERSATION REPORTED REFTEL, KING HUSSEIN TOLD ME AND EMBOFF HE WAS STRUCK BY NASSER'S STATEMENTS WITH REGARD TO

PAGE 2 RUQMKG 4264A ~~SECRET~~  
PROBLEMS HE WAS FACING IN UAR INTERNAL SITUATION. NASSER LAID GREAT STRESS ON THE WEAKNESS OF THE EGYPTIAN ECONOMIC SITUATION. HE MADE IT CLEAR HE CANNOT AFFORD TO HAVE TROUBLE WITH SAUDI ARABIA, KUWAIT AND LIBYA BECAUSE HE NEEDS THEIR FUNDS SO BADLY. HE TOLD HUSSEIN, IN EFFECT, NOT TO PICK ANY FIGHTS WITH FAISAL BECAUSE IT MIGHT AFFECT FAISAL'S ATTITUDE TOWARDS THE UAR.

2. HUSSEIN SAID HE HAD BEEN MET AT AIRPLANE STEPS BY NASSER AND ALI SABRI ONLY, WHEREAS PREVIOUSLY THERE HAD BEEN A CROWD OF OTHER " VICE PRESIDENTS" TO GREET HIM. ALI SABRI PARTICIPATED IN ALL MEETINGS, TOGETHER WITH MAHMOUD FAWZI AND MAHMOUD RIAD. FAWZI AND RIAD SHOWED STRONGLY ANTI-AMERICAN ATTITUDES, DIS-

~~SECRET~~



Department of State

TELEGRAM

~~SECRET~~

PAGE 02 AMMAN 04264 082005Z

TRUST FOR JARRING PROPOSAL AS A TRICK, AND NO CONFIDENCE THAT TALKS WITH JARRING COULD BE PRODUCTIVE. ALI SABRI SAID NOTHING IN MEETINGS BUT JORDANIANS, FROM THEIR OTHER CONTACTS AND FROM THINGS NASSER SAID, BECAME CONVINCED THAT THERE HAS BEEN DECIDED LEFTWARD MOVEENT IN UAR GOVT AND THAT ANY CHANGES IN LEADERSHIP WOULD ONLY TAKE UAR FURTHER LEFT.

~~PAGE 3 RUQMKG 4264A S E C R E T~~

3. HUSSEIN HAD HEARD SEVERAL STORIES ABOUT THE RESIGNATION OF ZAKARIYA MUHIEDDIN. ONE STORY WAS THAT NASSER HAD HAD TO SACK MUHIEDDIN BECAUSE MUHIEDDIN HAD INSISTED ON A GREATER DEGREE OF AUSTERITY, AND NASSER AND OTHER ADVISERS BELIEVED THE PEOPLE WOULD NOT STAND FOR THIS. THERE ARE ALSO OTHER STORIES FLOATING AROUND, SUCH AS MUHIEDDIN'S SPECIFIC DISAPPROVAL OF 12 MILLION EGYPTIAN POUND EXPENDITURE TO RAISE WAGES AND PACIFY LABOR ELEMENTS. THE JORDANIANS JUDGED THAT THERE ARE MANY LEFTISTS IN THE WINGS. NASSER HAD TOLD HUSSEIN THAT HE AS BEEN ROLLING UP A CHINESE COMMUNIST GROUP IN THE UAR. THE JORDANIANS, HOWEVER, FOUND FROM THEIR OWN CONTACTS THAT THERE ARE OTHER TYPES OF EGYPTIAN COMMUNISTS AROUND. PRESUMABLY IDENTIFIED WITH THE SOVIETS.

4. ALTHOUGH THERE IS SOME QUESTION OF WHO NOW CONTROLS THE EGYPTIAN ARMY, HUSSEIN INDICATED HE BELIEVES GENERALI ABDUL MUNIM RIAH IS WELL IN CHARGE.

5. COMMENT: HUSSEIN SEEMS TO HAVE COME AWAY CONVINCED THAT NASSER IS CURRENTLY FACING MORE INTERNAL DISSENSION THAN IS

~~PAGE 4 RUQMKG 4264A S E C R E T~~

THE JORDANIAN REGIME. FROM SEVERAL OF HIS COMMENTS IT WAS CLEAR HE FELT SHOULD NASSER PERSONALLY BE FORCED FROM OFFICE HIS SUCCESSOR WOULD BE MORE RADICAL, LESS AMENABLE TO PEACE DISCUSSIONS ANDEVERY BIT AS HARD TO DEAL WITH AS THE SYRIAN LEADERSHIP. SYMMES

GP-3

~~SECRET~~

ACTION		
M/R	REP	AF
RA	EUR	FE
NEA	CU	INR
E	P	IO
	FBO	AID
AGR	COM	FRB
INT	LAB	TAR
TR	XMB	AIR
ARMY	CIA	NAVY
OSD	USIA	NSA

*Hand tube under receipt*

DEPARTMENT OF STATE

# AIRGRAM

338

DEF 19-4 US-JORDAN  
FOR RM USE ONLY

A-266  
NO.

~~SECRET~~ - EXDIS

PRIORITY  
HANDLING INDICATOR

TO : Department of State  
Attention: Assistant Legal Advisor for Treaty Affairs

COPY NO. \_\_\_\_\_ SERIES B

002

FROM : Amembassy Amman

DATE: April 5, 1968

SUBJECT : Transmittal of Original Texts of Memorandum of Understanding, Annex and Protocol Setting Forth a Military Agreement Between the Governments of the United States of America and the Hashemite Kingdom of Jordan

REF : 11 FAM 313, 330.4; State A-34, March 14, 1968

The Embassy encloses the original texts of the Memorandum of Understanding, Annex and Protocol, signed March 28, 1968, setting forth the latest military agreement between the Governments of the United States of America and the Hashemite Kingdom of Jordan.

Any early publication or public disclosure of the contents of these documents would be prejudicial to the national security of the United States.



SYMMES

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 02-261  
By *iss*, NARA, Date 6-6-03

*Prof. Attention*

~~SECRET~~ - EXDIS

FOR DEPT. USE ONLY

In  Out

FORM 8-62 DS-323

Drafted by: POL:RPelletreau/clc 4/4/68

Contents and Classification Approved by: *gto* DCM:ESDuncan

Clearances: DATT:Colonel Cosgrove *WMS*

APR 11 10 250

CCYFLO-FER

339

SECRET

March 29, 1968

MEMORANDUM FOR WWR

SUBJECT: Today in the Jordan Valley

The exchange of fire today bore a strong resemblance to the retaliatory shelling and bombing of 15 February. The Israelis-- if they didn't start it--escalated it quickly, and before the day was over the clash which started with a terrorist incident just South of Lake Tiberias had involved units as far south as Jericho.

When it became evident that the February 15 shelling hadn't stopped the terrorists in the Karamah area, the Israelis raided Karamah. We don't know whether the parallel will hold true when the Israelis decide that today's shelling didn't stop the terrorists in the northern Jordan Valley, but the only difference might be that there will be much less than a month between the shelling and the raid.

The Israelis have asked us to deliver a note to Prime Minister Talhouni which reads like an ultimatum, but doesn't specify what Israel will do if Jordan doesn't stop the terrorists. State doesn't want to get involved in the business of delivering ultimatata. We'll probably tell the Israelis we'll deliver any constructive message, but if they want to send an ultimatum, they should send it through the UN.

In the meantime, the Jordanians have called for a Security Council meeting, probably for tomorrow.

Hal has written you separately on the major policy issues involved in deciding how, if at all, to persuade the Israelis to stay their hand.



John Foster

SECRET

DECLASSIFIED  
E.O. 12958 Sec. 3.5  
NLJ-S 98001  
By 12/16/01, NARA, Date 01/16/01

Jordan  
THE WHITE HOUSE  
WASHINGTON

F S  
3/26/68

To Hol Sanders (9) 340

Should W/W/R see?

→ BKS

BKS:

Yes. Although the Jordanians have their own interest in distortion or at least to hear what they want to hear, I think Walt should have this view of Israeli intentions.

Hal

Rec'd 4/27/68  
2:30 PM  
341

DRAFT RESOLUTION

The Security Council

Having heard the statements of the representatives of Jordan and Israel

Having considered the Secretary-General's note (S/8561)

[Recalling resolution 162 (1961) of 11 April 1961]

Considering that the holding of the military parade in Jerusalem will aggravate tensions in the area and will have an adverse affect on the efforts to find a peaceful settlement of problems in the area

*as presently proposed*

1. Calls upon Israel to refrain from holding a military parade in Jerusalem on 2 May, [which would be in violation of Security Council Resolution 162 (1961)]

2. Requests the Secretary-General to report to the Security Council on the implementation of this resolution.

Seen by:

IO/JJSisco  
NEA/LBattle  
L/LMeeker

342

THE WHITE HOUSE  
WASHINGTON

SECRET

March 26, 1968

WWR:

NEA has asked me to make this check. If you call anyone with the President's response, could you call either me or Nick Katzenbach directly? Frankly, Nick was probably out of channels in telling Bill Handley to check directly with me rather than going through Ben Read, and I am just trying to avoid internal embarrassment over there.

*Harold H. Saunders*

Harold H. Saunders

*Harold Saunders  
notified 3/27/68  
rlw*

SECRET

DECLASSIFIED  
E.O. 12958 Sec. 3.8  
NLJ-S 99001  
By 16/11, NARA, Date 10/14/01

THE WHITE HOUSE  
WASHINGTON

~~SECRET~~

Tuesday, March 26, 1968 -- 8:10 p. m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Signing Jordan Arms Package

After weeks of negotiation, the Jordan Arms package is ready for signing. Nick Katzenbach would like to authorize Ambassador Symmes to sign tomorrow but does not want to go ahead without our OK. The plan is to do this without publicity for the moment.

As you know, this negotiation has gone on for some weeks. It just happens that all the details are now wrapped up. It may not be the best time in view of continuing terrorist attacks and last week's Israeli raid. However, there may not be any good time, and the main purpose of this exercise is to bolster Hussein. The equipment involved in this deal will not arrive in Jordan for some time.

For balance, Luke Battle has rescheduled the signing of the Israeli PL-480 agreement for this Friday morning. That will get some publicity.

My own feeling is that our public, especially the Jewish community, has accepted the resumption of military sales to Jordan. I doubt that the simple act of signing will cause much additional reaction, even if it leaks out. The press already writes as if the deal has long since been wrapped up.

Therefore, I recommend that we tell State to go ahead. But I do not wish to do so without informing you.

*W. W. Rostow*

Approve                      ✓  
*NO*  
Call me                     

DECLASSIFIED  
Authority FRUS, VOL. XX, #125  
By *mg* . NARA, Date 9-21-01

~~SECRET~~

343

~~SECRET/NODIS~~

March 14, 1968

MEMORANDUM FOR WWR

SUBJECT: More on Hussein

Just to make sure you don't miss it, the attached from Harry Symmes deals with the other side of the question we wrote you about yesterday--what we might have to do to make it possible for Hussein to negotiate with Israel. Yesterday we considered whether it's possible for him to go it alone and leaned toward concluding that chances of his talking alone are a good bit less than even. Now Harry is writing about how to improve the chances.

Harry feels that, to get Hussein to the negotiating table, we would have to get a specific statement from the Israelis on the minimum they are willing to offer and would have to agree to protect Hussein from the dangers of talking to Israel. He specifically mentions contingency plans for helping to handle civil strife and efforts by other Arab states to interfere.

We'll have to think this through, but it's plain that Harry is not just talking about more barbed wire to use against infiltrators at the proper time. Hussein would probably want clear indication that we will do what is necessary to save him, not that we will make friendly gestures.

Obviously, we're not going to be able to make him feel completely safe. The one thought I (HHS) have for bucking him up is based on an interesting comment to me the other day by an intelligent Lebanese. He says the Arab governments are increasingly reluctant to settle the broad Palestine question without the participation of the Palestinians. When I asked whether anybody really took seriously the thought that the Palestinians could organize a responsible representation in settlement negotiations, he said that the ouster of Shuquairy and the evolution of a collegial PLO leadership was designed to do just this.

The thought that occurs to me is that if Hussein needs support for negotiating alone the Palestinians might provide it. Jordan and Israel--not the UAR--are sitting on most aspects of the Palestine problem. If Hussein could say he was negotiating with or on behalf of representative Palestinians who wanted peace, he might have some added backing.

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 02-206  
By ms, NARA, Date 8-25-03

~~SECRET/NODIS~~

We're still better off pursuing our present course--trying to get the UAR back on the Jarring track both directly and via Hussein. But if that fails, we'll be looking for ideas like this. I've checked fairly widely in State and CIA and no one thinks this is a wild idea. In fact, Hussein himself is already trying to bring more Palestinians into his government. The problems are that: (a) Palestinian leadership is fragmented so he couldn't hope to have unanimous support; and (b) if Hussein gets too involved with PLO-type Palestinians, it could mean the end of Jordan via encouragement for a separate Palestine. But Hussein today is a man with no attractive alternatives, and this risk may be less than the risk of no movement at all.

If we do get back into the area of Jordan-Israel negotiations, Jerusalem will be the main sticking point, and we will have to trot out again all the thoughts you had on Jordan-Israel economic cooperation.



John W. Foster



Harold H. Saunders

Att: Amman 3770, 3/12/68



Department of State

TELEGRAM

343a

~~SECRET~~

*Jordan*

*W D*

*2*

RR RUENC  
DE RUQMKG 3770/1A 0721700  
ZNY SSSSS ZZH  
R 121615Z MAR 68  
FM AMEMBASSY AMMAN  
TO SECSTATE WASHDC 4876  
STATE GRNC

CONTROL : 3131Q  
RECEIVED : March 13, 1968  
2:33A.M.

*Jordan*

BT  
~~SECRET~~ SECTION 1 OF 2 AMMAN 3770

NODIS

SANDSTORM

1. IT IS NOW GETTING ON TO FOUR MONTHS SINCE THE ADOPTION OF THE SECURITY COUNCIL RESOLUTION OF NOV 22. MOST RECENT REPORTS FROM CAIRO, TEL AVIV, AND USUN INDICATE THAT WE ARE FURTHER THAN EVER AWAY FROM IMPLEMENTATION OF THAT RESOLUTION AND MAY SOON BE BACK IN SC.

2. IN LATE SUMMER WE DECIDED AT LEAST TEMPORARILY TO CLOSE DOWN "SANDSTORM" AND BEGAN TO PURSUE PRESENT POLICY OF SEEKING A MULTILATERAL ARAB-ISRAELI SETTLEMENT. IN MAKING THIS SHIFT

PAGE TWO RUQMKG 3770/1A ~~SECRET~~  
WE OF COURSE RECOGNIZED THE DIFFICULTY OF GETTING INDIVIDUAL ARAB STATES WHICH, AFTER ALL, HAVE QUITE DIFFERENT INTERESTS IN A FINAL SETTLEMENT, TO AGREE ON A CONCERTED APPROACH TO DEALING WITH ISRAEL. INDEED, THE DIFFICULTY OF OBTAINING SUCH AN ARAB CONSENSUS HAS BEEN ONE OF THE PRICIPAL LESSIONS OF THE PAST TWENTY YEARS.

3. OVER THE YEARS WE HAVE ALSO BEEN VERY MUCH AWARE OF ANOTHER LESSON--THAT IT IS IMPOSSIBLE FOR A LEADER OF ONE OF THE SMALLER ARAB STATES, SUCH AS LEBANON OR JORDAN. TO MAKE A SEPARATE PEACE WITH ISRAEL AND SURVIVE. PARTICULARLY IN JORDAN, THE FATE OF KING ABDULLAH ALWAYS COMES TO MIND. WE DOUBT THAT THE SITUATION HAS CHANGED TODAY. A SEPARATE PEACE WOULD STILL ENTAIL EXTREMELY GRAVE RISKS FOR THE ARAB LEADER WHO APPEARED TO CONTEMPLATE IT. THE MOST MODERATE AND REASONABLE JORDANIANS WE TALK TO SEE SEPARATE TALKS ONLY AS A LAST, DESPERATE RESORT.

4. WE KNOW QUITE WELL THAT KING HUSSEIN AND MANY JORDANIAN LEADERS WANT A PEACEFUL SETTLEMENT. FROM THE VERY BEGINNING

PRESERVATION COPY

~~SECRET~~

DECLASSIFIED

Authority FRUS Vol. XX #109

By ly NARA, Date 9-21-01

~~SECRET~~

-2-Page, AMMAN 3770, Section 1 of 2, March 13, 1968 NODIS/SANDSTORM

PAGE THREE RUQMKG 3770/1A ~~SECRET~~

OF THE JARRING MISSION (EVEN THOUGH THEY MAY HAVE PLAYED WITH WORDS DURING THE FIRST MEETING WITH JARRING IN ORDER TO SAVE THEIR HONOR AND THEIR REPUTATIONS WITH FELLOW ARABS) WE HAVE KNOWN THAT THE JORDANIANS ACCEPTED THE RESOLUTION AND WANTED TO MOVE TO PRACTICAL NEXT STEPS.

5. MEANWHILE, THE SITUATION IN PRESENTLY TRUNCATED JORDAN CAN ONLY WORSEN, PARTICULARLY BECAUSE ISRAEL CONTINUES TO FOLLOW POLICIES TENDING TO CONSOLIDATE, AT LEAST IN ARAB EYES, ITS OCCUPATION OF THE WEST BANK. UNFORTUNATELY, THE MANIPULATIVE STRATEGY FOLLOWED BY ISRAEL (THAT IS RETALIATORY RAIDS TO "TEACH JORDAN A LESSON," OFFICIAL AND SEMI-OFFICIAL THREATS LINKED WITH RETALIATION, AND PUBLIC SURFACING OF CONTACTS WITH ARABS OR EASING OF ARAB STANDS) TENDS TO COMPOUND CURRENT DIFFICULTIES FACED BY JORDAN'S LEADERS. IN OUR VIEW, ALTHOUGH, TERRORISM IN FUTURE MAY NOT BECOME ANY MORE EFFECTIVE IN ISRAEL OR IN THE OCCUPIED TERRITORY, IT SEEMS BOUND TO INCREASE BECAUSE OF POLICIES ISRAEL ITSELF IS FOLLOWING. AND THE POST-FEB 15 DEVELOPMENTS HAVE SHOWN THAT IT IS GOING TO BECOME MORE AND MORE DIFFICULT FOR THE JORDAN REGIME TO SUPPRESS IT.

PAGE FOUR RUQMKG 3770/1A ~~SECRET~~

MOREOVER, THE TERRORISTS POSE A MAJOR THREAT TO THE JORDANIAN REGIME ITSELF. WE CAN ONLY CONCLUDE FROM HERE THAT IF PRESENT STALEMATE IN THE JARRING MISSION CONTINUES, WE WILL NOT ONLY HAVE FAILED TO ACHIEVE A MULTILATERAL SETTLEMENT UNDER JARRING'S AEGIS, BUT MORE IMPORTANT, WE WILL ALSO HAVE SUBSTANTIALLY DIMINISHED THE CHANCES FOR MOVING SUCCESSFULLY TOWARDS ABILATERAL JORDAN-ISRAEL SETTLEMENT. THE OUTLOOK FOR A STABLE AND INDEPENDENT JORDAN WILL BECOME EVEN MORE BLEAK.

6. FOREGOING SUGGESTS THE TIME MAY HAVE COME TO CONSIDER AGAIN WHETHER TO ENCOURAGE ISRAEL AND JORDAN TO SEEK A BILATERAL SETTLEMENT. I RECOGNIZE OF COURSE THAT THIS IS NOT AN EITHER-OR MATTER. IT MIGHT WELL BE POSSIBLE AND DESIRABLE, FOR EXAMPLE, TO ENCOURAGE JORDAN-ISRAEL CONTACTS UNDER A MORIBUND JARRING EFFORT. IN OTHER WORDS, WE COULD PAY LIP SERVICE TO WHAT MIGHT BE AN OBVIOUSLY DEAD JARRING MISSION BUT STILL USE LATTER AS CLOAK FOR CONTACTS. THERE WOULD OBVIOUSLY BE OTHER POSSIBLE VARIATIONS. I AM CERTAIN WE WILL FIND CONSIDERABLE RESISTANCE TO ANY KIND OF SEPARATE BILATERAL SETTLEMENT FROM MANY PROMINENT JORDANIANS. AS TIME GOES ON I WOULD EXPECT SUCH OPPOSITION

~~SECRET~~

PRESERVATION COPY

~~SECRET~~

-3-Page, AMMAN 3770, Section 1 of 2, March 13, 1968 NODIS/SANDSTORM

PAGE FIVE RUQMKG 3770/1A ~~SECRET~~

TO INCREASE RATHER THAN TO DIMINISH, PRINCIPALLY BECAUSE ISRAEL'S POSITION WOULD HAVE HARDENED. RECOGNIZING THERE ARE POSSIBILITIES FOR TALKS SHORT OF OUTRIGHT, SECRET CONTACTS, I BELIEVE IF AS A LAST RESORT WE WERE PREPARED TO TELL THE KING WE SAW NO CHANCE OF FORWARD MOTION BY OTHER MEANS AND THAT WE WERE PREPARED TO PROTECT HIM IF HE MOVED TOWARDS A SETTLEMENT WITH ISRAEL, HE MIGHT DECIDE TO TAKE THIS STEP. I WOULD BE OPPOSED TO OUR MAKING SUCH AN APPROACH, HOWEVER, UNLESS WE HAD FIRST OBTAINED FROM THE ISRAELIS A CLEAR AND UNEQUIVOCAL STATEMENT IN DETAILED TERMS OF WHAT THEY WOULD BE PREPARED INITIALLY TO OFFER HUSSEIN. BY THIS I MEAN, FOR EXAMPLE, THAT WE WOULD HAVE TO GET FROM ISRAEL A CLEAR MINIMUM COMMITMENT AS TO WHAT THEY WERE PREPARED TO GIVE JORDAN WITH REGARD TO JERUSALEM. THIS MINIMUM COMMITMENT WOULD HAVE TO BE SPECIFIC IN TERMS OF AREA, LINES ON THE GROUND, ACCESS, ECONOMIC MODALITIES, AND ASPECTS OF SOVEREIGNTY. IT WOULD HAVE TO BE SUBJECT TO SOME DISCUSSION. IN OTHER WORDS, WE WOULD NEED TO BE ABLE TO SAY TO THE KING THAT ISRAEL WAS AT LEAST COMMITTED TO DO WHAT IT HAD SAID BUT THAT WE WOULD ALSO HOPE IN DISCUSSIONS ISRAEL MIGHT HAVE SOME ADD-ONS TO ITS MINIMUM POSITION. WE WOULD ALSO

*Why start with the hardest one first?*

PAGE SIX RUQMKG 3770/1A ~~SECRET~~

NEED SPECIFICS WITH REGARD TOWHERE THE ISRAELIS EXPECT TO REDRAW WEST BANK BORDERS, WHAT THEY ACTUALLY MEAN BY DEMILITARIZATION, AND WHETHER THEY WOULD BE PREPARED TO CONSIDER SOMETHING LIKE THE JOSEPH JOHNSON PLAN FOR REFUGEES. UNLESS WE COULD OBTAIN SUCH SPECIFIC STATEMENTS FROM ISRAEL, I WOULD BE OPPOSED TO OUR APPROACHING THE KING ON BILATERAL NEGOTIATIONS. IN FACT, I WONDER IF WE SHOULD NOT NOW SEEK TO ELICIT WHAT ISRAEL IS PREPARED TO OFFER AGAINST CONTINGENCIES SHORT OF OUTRIGHT, SECRET CONTACTS.

BT

~~SECRET~~

PRESERVATION COPY



Department of State

TELEGRAM

~~SECRET~~

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DE RUQMG 3770/2A 0721800  
ZNY SSSSS ZZH  
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FM AMEMBASSY AMMAN  
TO SECSTATE WASHDC 4877  
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CONTROL : 3122Q  
RECEIVED : March 13, 1968  
1:56A.M.

~~SECRET~~ FINAL SECTION OF TWO AMMAN 3770

NODIS

SANDSTORM

7. I WISH TOMAKE CLEAR I AM NOT BY ANY MEANS SUGGESTING WE SHOULD ALIGN OURSELVES WITH JORDAN TO ACT AS JORDAN'S AGENT IN THE NEGOTIATING PROCESS ITSELF. I DO BELIEVE, HOWEVER; THAT THE KING AND THE OFFICIALS WHO MIGHT GO ALONG WITH HIM HAVE EVERYTHING TO LOSE BY MOVING TO ANYTHING SMACKING OF SEPARATE PEACE AND THAT THEY THEREFORE DESERVE TO HAVE FROM US AND FROM THE ISRAELIS THROUGH US A GUARANTEED FLOOR FOR COMMENCING THE NEGOTIATIONS. THE SUBSTANCE OF SUCH DIRECT CONTACTS THAT PREVIOUSLY HAVE TAKEN PLACE BETWEEN JORDAN AND ISRAEL (AT LEAST THOSE OF WHICH WE ARE AWARE) LARGELY HAVE BEEN DEVOID OF DETAIL. WE GATHER THAT THE KING HAS FOUND ISRAELI GENERALIZATIONS BROUGHT OVER BY EMISSARIES SUCH AS NUSEIBEH QUITE UNATTRACTIVE FOR THIS REASON.

8. IF WE WERE TO MOVE TOWARDS BILATERAL NEGOTIATIONS, I THINK WE SHOULD BE PREPARED WITH CONTINGENCY PLANS FOR HELPING TO HANDLE CIVIL STRIFE AND EFFORTS BY OTHER ARAB STATES TO INTERFERE. I WOULD SUGGEST WE GIVE THOUGHT IMMEDIATELY TO THIS KIND OF CONTINGENCY PLANNING IN ANY CASE BECAUSE KING HUSSEIN MIGHT WELL MOVE TOWARDS BILATERAL NEGOTIATIONS WITHOUT OUR

PAGE TWO RUQMG 3770/1B ~~SECRET~~  
ENCOURAGEMENT.

9. FINALLY, WE WOULD HAVE TO HAVE IRONCLAD ASSURANCES FROM THE ISRAELIS WITH REGARD TO (1) PUBLICITY (BEFORE, DURING, AND AFTER TALKS-- PARTICULARLY IF THE TALKS SHOULD BE INCONCLUSIVE THE ISRAELIS WOULD HAVE TO AVOID SURFACING THE CONTACTS) AND ~~THE CESSATION OF MANIPULATIVE ACTIVITIES (SUCH AS RETALIATION AND THREATS) AT LEAST DURING THE COURSE OF THE TALKS.~~

SYMMES

~~SECRET~~

PRESERVATION COPY

~~SECRET~~

March 13, 1968

MEMORANDUM FOR WWR

SUBJECT: Hussein's Next Step?

One question that Jarring's impasse poses is whether Hussein might be willing to deal with the Israelis even if Nasser refuses to participate in negotiations--and whether, if he did, the result would be worth anything. We can't completely discount this possibility, but strong pressures make it difficult for him to act independently.

If he acts without Nasser's approval, Hussein forfeits Egyptian protection from the radical Arabs. The Algerians can do little more than issue anti-Jordanian statements, but the Syrians could easily switch their terrorist effort from Israel to Jordan, and the Iraqis have troops in Jordan.

Within Jordan, Hussein would face trouble not only from Iraqis and Syrians, but from local Nasserists and from other Jordanians who oppose independent negotiations who would exploit such feelings to move against the monarchy. Working together these people might topple Hussein--or at least prevent him from carrying out any agreement he might reach with Israel.

The tentative view in the intelligence community is that it is too dangerous for Hussein to enter any public talks with Israel--even under UN supervision. Some doubt that he could even risk secret negotiations, but something may be possible. State isn't closing this door yet.

If he did try for a settlement, he would have little with which to bargain--he can't open the canal or end the war by himself--and without Arab backing he couldn't accept a settlement the other Arabs felt was unfavorable. He would almost certainly have to get more on Jerusalem than the Israelis would be willing to give.

The Israelis would probably agree to negotiations with Hussein as possibly leading to negotiations with Nasser himself, or at least as creating disunity in the Arab camp. But they firmly believe that Nasser must be involved in any meaningful settlement. They feel Hussein is too weak to deliver real peace.

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 02-206  
By js, NARA, Date 8-25-03

~~SECRET~~

~~SECRET~~

- 2 -

Our first effort will be to bring Nasser around, both directly and via Hussein, but a Jordan-Israel settlement now becomes more than a theoretical alternative.



John W. Foster

~~SECRET~~

2

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DECLASSIFIED

THE WHITE HOUSE

ACTION

Authority NLT 96-252 (#23)

WASHINGTON

By ly NARA, Date 9-21-01

~~SECRET~~

Tuesday, March 12, 1968 - 5:40 pm

Rec'd  
5/3p

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Jordan Arms Package

You will recall signing the Conte-Long waiver permitting us to go ahead with our Jordan arms package. The negotiations with King Hussein are just about wrapped up, and we believe we have a deal. State has just sent to Congress the required notice of your waiver with the rationale for it.

One small legal point has cropped up, which the lawyers feel we should clarify for the record.

I believe you were quite aware when you signed the determination that we were urging the Jordanians to buy some equipment--specifically tanks and some 18 Hawker-Hunter aircraft--from the UK. Jordan had in fact already bought 10-12 Hawker-Hunters late last year and is negotiating for 6-8 more.

The documents accompanying the waiver you signed took for granted these purchases in the UK but did not specifically say that your waiver included these purchases as well as the purchases from the US that you were approving. Because the Conte-Long amendment requires us to take into account purchases from all sources, the lawyers believe we should be scrupulous in creating an unmistakably clear record (without prejudging the question of whether these weapons are "sophisticated" or not). I hate to bother you with this detail, but I agree that the record should be complete.

There is no question that Jordan's purchases in the UK are in our interest because they serve the same purpose of blocking Soviet military aid while minimizing the political burden on us.

Therefore, may I clarify the record by stating that your waiver was made taking into account Jordan's purchases in other Western countries?

Yes

No

W. Rostow

3/13/68 - Mr Saunders notified. sh

~~SECRET~~

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THE WHITE HOUSE  
WASHINGTON

SECRET

March 12, 1968

WWR:

I tried to avoid going back to the President on this, but Ed Hamilton agrees that we're better safe than sorry in building our Conte-Long record.

*HHS*

HHS

DECLASSIFIED  
E.O. 12958 Sec. 3.5  
NLJ-S 96001  
By ng/ll, NARA, Date 10/14/01

SECRET

THE WHITE HOUSE  
WASHINGTON

346  
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To Marvin Watson

FYI and return

Brown

346a

MEMORANDUM FOR THE RECORD

March 7, 1968

At the request of Marvin Watson via Bromley Smith, I called a Mr. Lyle yesterday. As I understand it, he had called Mr. Watson to complain that nothing was happening regarding the efforts of the Mecom Company to get its oil drilling equipment out of Jordan.

This case must be at least two years old. Mecom contracted with the Jordanian Government to drill for oil. When it decided that none was to be found, it decided to pull out without having drilled the exploratory holes contracted for. It therefore owes some damages to the Jordanian Government for the uncompleted contract and for some private claims incurred in the course of its work. Mecom has negotiated with the Jordanian Government through several different agents and a couple of agreements have been reached during this period only to be repudiated by Mr. Mecom, as I understand the story from State.

When I talked with Mr. Lyle, I told him that I understood from our Embassy in Amman that the Jordanians were ready to meet their requirements on their side for a settlement. When he asked what the next step would be, I told him that someone with full power of attorney for Mr. Mecom would have to go to Jordan to negotiate a final settlement. He asked if he could tell Mr. Mecom that and I said he could. He said he might call me again from Houston.

Since this same information documented by full details from our Embassy in Amman has been sent in late February to another agent of Mr. Mecom, I did not have the impression that Mr. Lyle was at all informed about the recent developments in this case. He acted as if this were quite a new development when in fact this information has been available in general to Mr. Mecom for some months. I had the impression that he was in town and was just calling to lodge a pro-forma complaint about the State Department. When I called him, he complained only about the Jordanians.

Harold H. Saunders

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MemCons