

CONFIDENTIAL

FM AMMAN

TO IMMEDIATE FCO

TELNO 126

OF 061150Z MARCH 90

INFO PRIORITY TEL AVIV, CAIRO, BAGHDAD, DAMASCUS, JERUSALEM

INFO PRIORITY TUNIS, WASHINGTON, PARIS, GULF POSTS, SANAA

INFO PRIORITY ADEN, ACTOR

ADVANCE COPY  
M. Hussein

MIPT (NOT TO SANAA AND ADEN): AUDIENCE WITH KING HUSSEIN: CONTACTS WITH OTHER ARAB STATES

## SUMMARY

1. GOOD DISCUSSION WITH SAUDIS AND KUWAITIS, BUT NO COMMITMENTS ON AID.

## DETAIL

2. I ASKED THE KING FOR AN ACCOUNT OF HIS RECENT CONTACTS WITH KING FAHD AND WITH THE GULF RULERS.

3. HE SAID THAT HIS VISIT TO RIYADH (PRIOR TO THE ACC SUMMIT) HAD BEEN MUCH BETTER THAN SOME OF HIS EARLIER MEETINGS WITH KING FAHD. THE TWO RULERS HAD HAD SEVERAL HOURS TETE A TERE AND THE DISCUSSION HAD BEEN EXTREMELY FRANK.

4. ON THE ECONOMIC SITUATION, KING HUSSEIN HAD POINTED OUT THAT JORDAN WAS NOT OUT OF THE WOOD YET. HE DID NOT FEEL THAT HE COULD PRESS ORDINARY PEOPLE ANY FURTHER UNDER THE IMF PROGRAMME WITHOUT THE RISK OF MORE UNREST. HE HAD POINTED OUT THAT A LACK OF ARAB SUPPORT MIGHT TRIGGER OFF FURTHER DISTURBANCES AND STRENGTHEN THE HAND OF THE FUNDAMENTALISTS ABOUT WHOM KING FAHD HAD EXPRESSED PARTICULAR CONCERN. FAHD HAD APPEARED RECEPTIVE TO THESE ARGUMENTS BUT ALTHOUGH HE HAD GIVEN GENERAL ASSURANCES OF SUPPORT, HE HAD MADE NO SPECIFIC COMMITMENT.

5. KING HUSSEIN ALSO REMINDED FAHD OF SOME EARLIER UNFULFILLED COMMITMENTS (NOT SPECIFIED). HE EXPRESSED HIS DISAPPOINTMENT OVER THE PROPOSED DEPOSIT SCHEME, UNDER WHICH CENTRAL BANKS OF THE GULF COUNTRIES HAD BEEN PROPOSING TO PLACE UP TO DOLLARS 500M WITH THE CENTRAL BANK OF JORDAN AS A TEMPORARY MEASURE TO BOLSTER THE RESERVES. THE SCHEME HAD NOW BEEN WHITTLED DOWN TO, HE

THOUGHT, DOLLARS 300M (ZAID BIN SHAKER CHIPPED IN TO SAY THAT IT WAS ACTUALLY DOLLARS 200M). MOREOVER THE LENDING CENTRAL BANKS HAD BEEN WANTING TO CHARGE ALMOST COMMERCIAL INTEREST RATES AND TO KEEP THE MONEY PHYSICALLY UNDER THEIR OWN CONTROL. THE KING DID NOT SAY WHETHER FAHD HAD UNDERTAKEN TO LOOK AT THIS SCHEME AFRESH BUT MY IMPRESSION WAS THAT THE JORDANIANS NO LONGER HAVE GREAT EXPECTATIONS OF IT.

6. ANOTHER MATTER RAISED BY HUSSEIN WITH FAHD WAS THE POSSIBLE USE OF THE SAUDI OIL PIPELINE (TAPLINE) FROM THE POINT WHERE IT INTERSECTS THE OLD IRAQI (IPC) PIPELINE. THIS, THE KING SAID, WOULD REDUCE JORDAN'S TRANSPORT COSTS FOR OIL SUPPLIED BY IRAQ, WHICH CURRENTLY COMES BY ROAD AND INVOLVES HEAVY WEAR AND TEAR ON BOTH VEHICLES AND HIGHWAY (COMMENT: AS FAR AS WE KNOW, THE IPC PIPELINE HAS BEEN OUT OF COMMISSION FOR MORE THAN 40 YEARS, SO THE ABOVE SCHEME WOULD SEEM TO REQUIRE HEAVY INVESTMENT TO MAKE IT VIABLE FOR TRANSPORTING CRUDE FROM IRAQ).

7. KING FAHD HAD EXPRESSED CONCERN ABOUT THE IMPLICATIONS FOR SAUDI ARABIA OF A UNITED YEMEN. HIS MAIN ANXIETY, ACCORDING TO KING HUSSEIN, WAS THAT A UNITED YEMEN WOULD BE DOMINATED BY ADEN. KING HUSSEIN SAID THAT HE DID NOT PERSONALLY SEE THINGS THIS WAY AND HE HAD OFFERED TO USE HIS INFLUENCE WITH PRESIDENT ALI ABDULLAH SALEH AS A FELLOW ACC MEMBER. (IT WAS APPARENTLY THIS DISCUSSION WHICH LED TO AN INVITATION FROM FAHD TO PRESIDENT SALEH AND WHICH, AS A RESULT OF THE LATTER'S ABRUPT DEPARTURE, EFFECTIVELY CURTAILED THE RECENT ACC SUMMIT IN AMMAN.)

8. THE KING SAID THAT HIS VISIT TO KUWAIT ( 26 FEBRUARY) HAD BEEN EXCELLENT AND THE KUWAITIS HAD SHOWN FULL UNDERSTANDING FOR JORDAN'S POSITION. THEY WERE, HOWEVER, WORRIED ABOUT IRAQ. THE UNDEMARCATED BORDER WAS A SOURCE OF TENSION. SADDAM WAS PRESSING FOR EARLY AGREEMENT. A SECOND ISSUE WAS THE QUESTION OF IRAQI DEBTS TO KUWAIT WHICH SADDAM WAS SEEKING TO HAVE CANCELLED (ALONG WITH THOSE TO SAUDI ARABIA). THE KUWAITIS WERE UNDERSTANDABLY RELUCTANT. KING HUSSEIN SAID THAT HE HAD UNDERTAKEN TO RAISE THESE ISSUES WITH SADDAM AND IT WAS LARGELY FOR THIS REASON THAT HE HAD VISITED BAGHDAD AGAIN IMMEDIATELY AFTER HIS RETURN FROM THE GULF (ON 3 MARCH).

9. THE KING HAD NO COMMENTS OF SUBSTANCE ON HIS VISIT TO BAHRAIN, QATAR OR UAE EXCEPT TO SAY THAT THEY HAD GONE SMOOTHLY. HE ADDED THAT IT HAD NOT PROVED POSSIBLE TO VISIT OMAN BECAUSE THE SULTAN WAS ENGAGED IN VISITING THE TRIBES. IN ALL THE GULF

STATES (AND IN SAUDI ARABIA) THERE HAD BEEN GENERAL SUPPORT FOR HIS VIEW THAT ANY SUMMIT MEETING WOULD NEED TO COVER ALL MAJOR ISSUES OF CONCERN AND WOULD THUS NEED CAREFUL PREPARATION.

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