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FOR HEAD OF NENAD

FCO TELNO 239: VISIT OF MR MICHAEL HESELTINE

SUMMARY

1. USEFUL OPPORTUNITY TO UPDATE ON SENIOR JORDANIANS' VIEWS. NO NEW ELEMENTS IN JORDAN'S POSITION ON THE GULF. NO BREAKTHROUGH WITH SAUDIS. GLOOMY ASSESSMENTS OF JORDAN'S POLITICAL AND ECONOMIC PROSPECTS, GIVEN UNCERTAINTIES ABOUT FOREIGN AID.

DETAIL

2. THE RT HON MICHAEL HESELTINE MP, ACCOMPANIED BY MRS HESELTINE, PAID A SHORT PRIVATE VISIT TO JORDAN ON 3-4 NOVEMBER. MR HESELTINE HAD AN AUDIENCE WITH KING HUSSEIN, ATTENDED BY CROWN PRINCE HASSAN, WITH WHOM HE SUBSEQUENTLY HAD A LONGER SESSION ON ECONOMIC MATTERS AND WHO SUBSEQUENTLY ENTERTAINED HIM AND MRS HESELTINE TO LUNCH. HE ALSO CALLED ON THE FOREIGN MINISTER.

3. KING HUSSEIN OUTLINED JORDAN'S PART IN THE GULF CRISIS IN BY NOW FAMILIAR TERMS. HE REPEATED HIS CLAIM THAT THE IRAQIS HAD NOT INITIALLY INTENDED TO OCCUPY THE WHOLE OF KUWAIT, BUT THAT THEY HAD DECIDED TO DO SO IN ORDER TO OBTAIN GREATER NEGOTIATING LEVERAGE. HE GAVE LITTLE AWAY ABOUT EITHER HIS OWN RECENT VISIT TO MUSCAT (MUSCAT TELNO 507) OR THE VISIT TO AMMAN ON 3 NOVEMBER OF THE IRAQI FOREIGN MINISTER (BEING REPORTED SEPARATELY). HE INDICATED, HOWEVER, THAT HE EXPECTED DEVELOPMENTS SOON CONCERNING QUOTE AN ARAB SOLUTION UNQUOTE TO THE GULF CRISIS, IN WHICH HE IMPLIED THE SAUDIS WOULD PLAY A PART.

4. THE KING SPOKE SCATHINGLY ABOUT CURRENT SAUDI POLICY TOWARDS JORDAN, IN WHICH HE CLEARLY DETECTED NO SIGN OF MOVEMENT. HE STRONGLY CRITICISED PRESIDENT MUBARAK FOR STIRRING UP CONSPIRACY STORIES ABOUT IRAQI/JORDANIAN TERRITORIAL INTENTIONS AND THEREBY POISONING SAUDI MINDS AGAINST JORDAN. MEANWHILE, HE

STRESSED THAT VERY LITTLE TIME REMAINED BEFORE THE SITUATION IN JORDAN BECAME CRITICAL, BOTH ECONOMICALLY AND BECAUSE OF THE VOLATILITY OF INTERNAL OPINION. PARLIAMENT WAS DUE TO RESUME IN SOME TWO WEEKS' TIME, PROBABLY UNDER A NEW SPEAKER FROM THE ISLAMIST FACTION, AND THEREAFTER THE VOICE OF THE EXTREMISTS WOULD BECOME EVER MORE INFLUENTIAL. HE WAS LIKELY TO COME UNDER RENEWED PRESSURE TO GIVE KEY GOVERNMENT JOBS, SUCH AS THE EDUCATION MINISTRY, TO ISLAMISTS. REFERRING TO EARLIER STATEMENTS ABOUT THE POSSIBILITY OF HIS ABDICATING, THE KING INDICATED THAT HE WOULD HAVE TO THINK SERIOUSLY ABOUT HIS ABILITY OR WILLINGNESS TO CONTINUE TO PRESIDE OVER AN INCREASINGLY RADICALISED JORDAN.

5. DISCUSSING THE QUESTION OF LINKAGE BETWEEN IRAQ/KUWAIT AND THE PALESTINIAN ISSUE, THE KING STRESSED THAT JORDAN DID NOT ENVISAGE SUBSTANTIVE PROGRESS ON THE LATTER PRIOR TO AN IRAQI WITHDRAWAL FROM KUWAIT. HOWEVER, SOME FORM OF COMMITMENT BY THE INTERNATIONAL COMMUNITY TO TACKLE THE PROBLEM ACCORDING TO THE SAME SET OF STANDARDS WOULD BE ESSENTIAL TO PERSUADE SADDAM HUSSEIN TO MOVE. HE SHARED MR HESELTINE'S DOUBTS ABOUT CURRENT PROSPECTS FOR AN ARAB/ISRAEL SETTLEMENT: BUT AFFIRMED THAT THIS MUST NEVERTHELESS REMAIN A PRIORITY INTERNATIONAL OBJECTIVE.

6. THE CROWN PRINCE AND HIS ECONOMIC ADVISERS TOOK MR HESELTINE THROUGH FIGURES, EG FROM THE RIPERT REPORT, DEMONSTRATING THE SCALE AND URGENCY OF JORDAN'S ECONOMIC PLIGHT AS A RESULT OF THE GULF CRISIS. PRINCE HASSAN CONTRASTED UNFAVOURABLY THE SLOWNESS OF THE INTERNATIONAL COMMUNITY'S RESPONSE OVER AID TO JORDAN COMPARED WITH THE SPEED WITH WHICH THE US AND OTHERS HAD INCREASED THEIR SUBSIDIES TO ISRAEL TO PAY FOR ECONOMIC MISMANAGEMENT AND ITS AGGRESSIVE SETTLEMENT POLICY.

7. PRINCE HASSAN RECOGNISED THAT BRITAIN AND THE US HAD NOW ACCEPTED JORDAN'S SINCERITY ABOUT THE ENFORCEMENT OF SANCTIONS, AND WERE ACTING ON THIS BY APPEALING TO THEIR PARTNERS TO SPEED UP DISBURSEMENTS OF AID ALREADY PLEDGED. BUT PROGRESS WAS STILL PAINFULLY SLOW (ALTHOUGH ONE OF HIS ADVISERS REPORTED THAT A FIRST INSTALMENT OF DM 45 MILLION ON THE GERMAN PLEDGE HAD JUST BEEN RECEIVED). THE IMF WERE NOW BACK IN TOWN, BUT WERE BEHAVING AS IF THE CRISIS HAD NEVER HAPPENED, BY INSISTING ON IMPLEMENTATION OF THE FULL RANGE OF AUSTERITY MEASURES AGREED BEFORE THE CRISIS, INCLUDING EG HEFTY PETROL PRICE RISES. IN THE CURRENT SITUATION THIS WOULD LITERALLY SET THE STREETS ABLAZE.

8. THE CROWN PRINCE ALSO REFERRED TO DELAYS IN SECURING REIMBURSEMENT OF THE DOLLARS 55 MILLION WHICH THE GOVERNMENT ESTIMATED IT HAD SPENT ON EVACUEE REPATRIATION. THIS MUST BE TREATED AS A SEPARATE ISSUE FROM THAT OF AID TO JORDAN ITSELF.

9. PRINCE HASSAN REFERRED TO THE LARGE WINDFALL PROFITS BEING MADE BY OIL EXPORTERS AS A RESULT OF INCREASED OIL PRICES. THESE HE CLAIMED WERE ACCRUING AT AN ANNUAL RATE OF SOME DOLLARS 200 BILLION, OF WHICH HALF WAS GOING TO SAUDI ARABIA. SURELY AT LEAST A MODEST PORTION OF THESE GAINS COULD BE DIVERTED TO HELP JORDAN AND THE OTHER COUNTRIES HIT BY SANCTIONS AND THE GULF CRISIS?

10. ON THE CRISIS ITSELF, PRINCE HASSAN CLAIMED TO HAVE TRIED TO SECURE MORE LOCAL PRESS COVERAGE OF THE INIQUITIES OF IRAQI BEHAVIOUR IN KUWAIT: HE SAID HE HAD MADE PUBLIC STATEMENTS DRAWING ATTENTION TO THE REPORTS OF ATROCITIES (WE HAVE BEEN SUPPLYING HIS OFFICE WITH EG COI FILMS ON THE SUBJECT). IT WAS VERY DIFFICULT, HOWEVER, TO ACHIEVE MORE BALANCED COVERAGE WHEN JORDANIANS AND PALESTINIANS ALIKE WERE SO BITTER ABOUT THE SITUATION, AND PARTICULARLY RECENT EVENTS, IN THE OCCUPIED TERRITORIES. JORDAN'S REAL FEAR WAS THE ENORMOUS DEMOGRAPHIC PRESSURES ALREADY RESULTING AND LIKELY TO RESULT FROM BOTH THE GULF CRISIS AND THE SITUATION IN THE TERRITORIES. OFFICIAL FIGURES SHOWED 180,000 JORDANIANS AS HAVING ALREADY RETURNED TO JORDAN FROM THE GULF: AND OF THE 90,000 PALESTINIAN WORKERS WHO HE CLAIMED HAD NOW BEEN EXCLUDED FROM THEIR JOBS IN ISRAEL PROPER A LARGE NUMBER WOULD BE DRIVEN ACROSS INTO JORDAN BY SHEER ECONOMIC PRESSURES. PRINCE HASSAN DID HOWEVER ACKNOWLEDGE (AND SAID HE HAD MENTIONED PUBLICLY) THAT THE ISRAELIS HAD ALLOWED SOME 40,000 PALESTINIANS RETURNING FROM THE GULF TO ENTER AND SETTLE IN THE WEST BANK: BUT THESE WOULD ADD FURTHER TO THE ECONOMIC PRESSURES THERE AND INCREASE THE LIKELIHOOD OF LARGE SCALE MIGRATIONS INTO JORDAN.

11. THE FOREIGN MINISTER CLAIMED TO HAVE HAD A FRANK DISCUSSION WITH TAREQ AZIZ ON 3 NOVEMBER. THE LATTER HAD MADE IT CLEAR THAT THREATS OF MILITARY ACTION WERE NOT THE WAY TO INFLUENCE IRAQI ATTITUDES. QASEM CLAIMED TO HAVE TOLD THE IRAQI IN TURN THAT EFFORTS TO SPLIT THE UN COALITION EG BY PROPOSING TRADE-OFFS AGAINST HOSTAGE RELEASES WOULD GET NOWHERE: AND TO HAVE REITERATED JORDAN'S OPPOSITION TO THE OCCUPATION OF KUWAIT. HE DID NOT INDICATE THAT TAREQ AZIZ HAD BROUGHT ANY SIGNIFICANT NEW PROPOSALS OR CONCESSIONS.

12. ON ECONOMIC AID AND SANCTIONS, QASEM SAID THAT MUCH DAMAGE HAD BEEN DONE BY WHAT HE DESCRIBED AS THE INITIAL BRITISH AND AMERICAN UNWILLINGNESS TO ACCEPT JORDAN'S WORD ABOUT SANCTIONS ENFORCEMENT, ALTHOUGH HE ACKNOWLEDGED THAT RECENT US PUBLIC PRONOUNCEMENTS CONFIRMED THAT THEY WERE NOW SATISFIED. HE SHOWED LITTLE APPRECIATION OF BRITISH AND US EFFORTS TO ENCOURAGE OTHERS TO SPEED UP FINANCIAL ASSISTANCE TO JORDAN. JORDANIANS LOOKED TO COUNTRIES LIKE BRITAIN, WITH THEIR LONG HISTORICAL RELATIONSHIP, TO MAKE THEIR OWN CONTRIBUTIONS.

13. IN A BRIEF MEETING WITH BRITISH AND LOCAL JOURNALISTS PRIOR TO HIS DEPARTURE FOR ISRAEL, MR HESELTINE OUTLINED HMG'S POSITION ON IRAQ/KUWAIT, WHICH HE FULLY SUPPORTED. HE SAID THAT HE HAD BEEN IMPRESSED WITH THE STRENGTH OF JORDAN'S CASE FOR PROMPT AND ADEQUATE FINANCIAL ASSISTANCE: AND THAT BRITAIN AND OTHER WESTERN COUNTRIES HAD A STRONG INTEREST IN THE CONTINUED STABILITY OF JORDAN.

COMMENT

14. THE VISIT PROVIDED A USEFUL OPPORTUNITY FOR AN UPDATE ON THE VIEWS OF THE SENIOR JORDANIAN HIERARCHY. ALTHOUGH THE NOTE WAS PREDOMINANTLY PESSIMISTIC, MR HESELTINE WAS RECEIVED WARMLY (THE KING DELAYED HIS DEPARTURE FOR PARIS IN ORDER TO RECEIVE HIM). I BELIEVE THIS SHOWS THE IMPORTANCE WHICH SENIOR JORDANIANS STILL ATTACH TO THE BRITISH CONNECTION, FOR ALL OUR CURRENT DISAGREEMENTS ON SOME ASPECTS OF POLICY.

15. FCO PLEASE REPEAT AS REQUIRED.

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