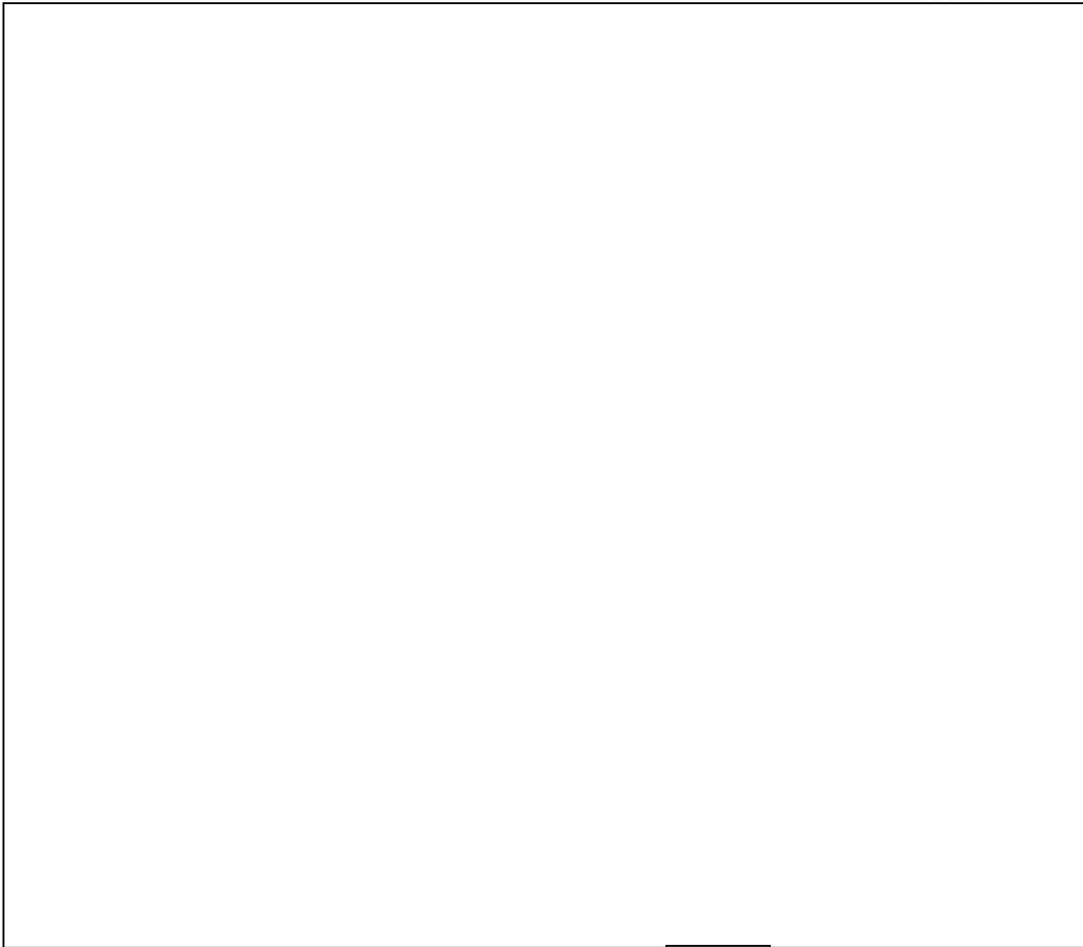


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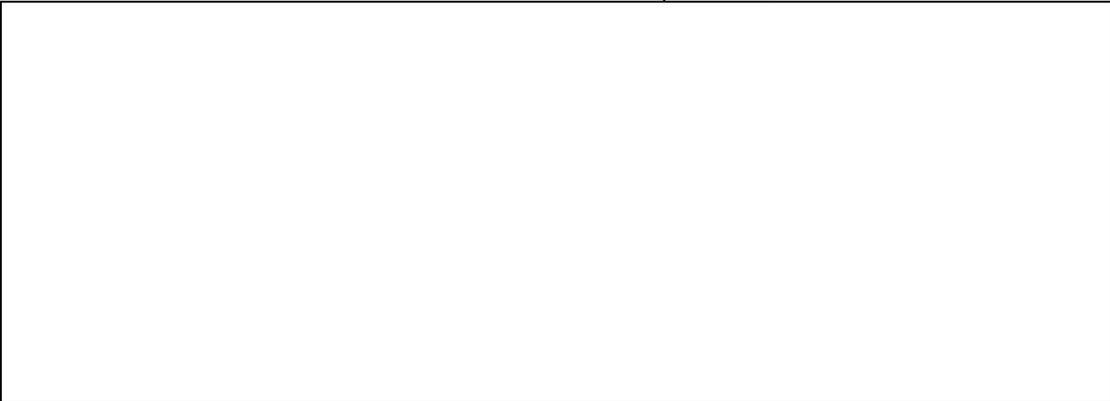
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2. JORDAN: PRICE INCREASES TOUCH OFF RIOTING



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APPROVED FOR RELEASE  
DATE: FEB 2008

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2. JORDAN: PRICE INCREASES TOUCH OFF RIOTING [REDACTED]

SECURITY FORCES IN THE JORDANIAN CITY OF MA'AN YESTERDAY FIRED TO DISPERSE RIOTERS PROTESTING GOVERNMENT-IMPOSED PRICE AND TAX INCREASES THAT TOOK EFFECT SUNDAY. PRESS ACCOUNTS SAY AS MANY AS 4,000 DEMONSTRATORS DESTROYED A STATE BANK, LOOTED SHOPS, AND LEFT 17 INJURED. THERE WERE ALSO FLAREUPS IN OTHER COMMUNITIES, INCLUDING AL HUSAYNIYAH AND AL JAFR. CROWN PRINCE HASSAN AND OTHER SENIOR OFFICIALS FLEW TO MA'AN, SOME 200 KILOMETERS SOUTH OF AMMAN, TO ASSESS THE SITUATION. AMMAN HAD INCREASED PRICES 15 TO 50 PERCENT ON A BROAD RANGE OF CONSUMER GOODS AND SERVICES, INCLUDING IMPORTED MILK, GASOLINE, CIGARETTES, AND BOTTLED WATER, UNDER AN AGREEMENT WITH THE IMF TO REDUCE THE BUDGET DEFICIT. [REDACTED]

COMMENT: THE RIOTS ARE UNLIKELY TO THREATEN KING HUSSEIN, BUT THEY MAY PUT ADDITIONAL PRESSURE ON HIM TO DISMISS PRIME MINISTER RIFA'I, THE PRINCIPAL ARCHITECT OF JORDAN'S AUSTERITY PROGRAM. THEY ARE THE FIRST VIOLENT EXPRESSION OF THE PUBLIC'S GROWING DISCONTENT OVER AMMAN'S HANDLING OF THE DETERIORATING ECONOMIC SITUATION. THE LARGE PALESTINIAN MIDDLE CLASS IS ESPECIALLY RESENTFUL OF GOVERNMENT AUSTERITY AND CORRUPTION. JORDANIAN MILITARY AND SECURITY SERVICES,

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