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NSC BRIEFING

22 January 1957

NEAR EAST: JORDAN AID AGREEMENT

- I. "Solidarity Agreement" between Jordan and ESS powers signed 19 Jan in Cairo: Egypt, Syria & Saudi Arabia will replace UK as payers of annual military subsidy to Jordan.
 - A. Jordan government sought agreement for internal political purposes.
 - B. Nasr signed without usual haggling, valuing psychological effect of evident confidence in his leadership of Arabs.
- II. Significant terms of "Agreement":
 - A. Jordan to receive **L(E)** 12.5 million (normally about \$36 million, but much less at current rates) a year for ten years, in semi-annual payments, beginning with ratification of agreement. Egypt and Saudi Arabia each to contribute **L(E)** 5,000,000 (\$14,000,000); Syria, **L(E)** 2,500,000 (\$7,000,000).
 - B. In lieu of cash, Jordan will accept military equipment of Arab states' own production.
 - C. "Own production" phrase almost certainly inserted with eye toward future US economic aid, which Arabs believe might be barred to states accepting Soviet arms. 25X1
 1. in Egypt's case, such equipment would come from British stores seized in Suez Canal depots (although these stores scarcely "own production").
 - D. In case ESS states default on payments, Nasr has grandiosely promised Egypt will contribute whole amount.

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III. Signature of "Solidarity Agreement" makes it politically essential for Jordan government to revise, or more probably terminate, subsidy agreement with UK.

A. British have already approached Jordanians re revision, and notified US that subsidy will end 31 March.

B. Arab press asserts Arabs themselves have "filled the vacuum" which British are leaving.

1. In fact, Egypt's only resource at present is its stock of British arms, while Syria has nothing.

2. Saudi Arabia is only one of ESS group with prospect of cash to contribute.

C. Thus, opening is established for possible Soviet aid to Jordan via Egypt, Syria or both.

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