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Talking Points For Acting DDI HPSCI Meeting

02 August 1988

King Hussein's announced intention to sever Jordan's legal and administrative ties with the West Bank is a calculated challenge to the PLO and a politically popular gesture to his own bedouin constituency.

--Amman will likely move slowly in implementing the King's decision. The government will have to decide whether to continue paying the salaries of 13,000 workers in the West Bank and allowing nearly 1 million West Bank Palestinians holding Jordanian citizenship to retain their Jordanian passports.

--More drastic decisions--apparently not yet taken--would include closing bridge crossing points, severing economic ties, or reversing Jordan's 1950 annexation of the West Bank.

--The pullback puts the burden on the PLO to produce political gains in the peace process and helps shield Hussein from PLO accusations of collusion with Israel. The move also appeals to Jordan's traditionalist bedouins--the backbone of Hussein's army and security services--who are skeptical of the King's activist foreign policy and prefer he address mounting domestic economic problems.

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The PLO lacks sufficient funds to assume Jordan's \$47.5 million annual outlays to the West Bank and Gaza. PLO internal divisions and unfulfilled pledges of support from Arab donors are likely to limit the organization's ability to benefit from Hussein's retrenchment in the near-term.

--Arafat's key spokesman, Bassam Abu Sharif, has already called for the UN to assume Jordan's financial and administrative role in the West Bank, and PLO radio has criticized Hussein for moving too quickly.

--West Bank municipal leaders have so far kept a low profile in reacting to the King's action, while expressing hope that Jordan will not cut its financial ties to the territory.

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Israeli reaction to Hussein's moves has split predictably along party lines.

--Foreign Minister Peres and Defense Minister Rabin--the Labor Party's two senior leaders--say they will seek to revitalize the Jordanian option if Labor wins the Knesset election on November 1 by offering an international peace conference with a Jordanian-Palestinian delegation.

--Prime Minister Shamir, on the other hand, seems optimistic that Hussein's move will lessen pressure for Israeli participation in an international conference.

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