

## No. 911

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*The Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade) to the President's Special Representative (Johnston)*

SECRET

WASHINGTON, November 1, 1954.

DEAR MR. AMBASSADOR: Your letter of October 15, 1954, raises the question of funds required to support your negotiations looking toward agreement on the Jordan Valley problem, and it is very timely to consider this subject as the Mutual Security Program for 1956 must soon be submitted for consideration by the Budget Bureau.

To take the problem as a whole, we have the following line of approach in mind:

Funds for the irrigation program in Jordan where our principal objective will be refugee settlement should be sought in the first instance through the UNRWA channel. Our present thinking is that we should look toward a U.S. contribution to UNRWA for fiscal 1956 of the order of \$60 million, which would enable the relief program to be continued and substantial capital to be made available for requirements of irrigation in the Jordan Valley in Jordan and the project in Egypt's Sinai desert. UNRWA may also be required to find funds for the elements in the Jordan Valley program involving irrigation in Lebanon and Syria and this will be taken into account.

It is more difficult for us to justify the prospective power development of the Yarmuk River in terms of refugee settlement, and we would therefore propose that development assistance from Mutual Security funds be sought to finance power installations. Here we consider that it might be possible to justify a sum of the order of \$25 million although we recognize that the expenditure of this amount will carry us well beyond fiscal 1956.

We have no established pattern of economic aid beyond technical assistance programs in Lebanon and in Jordan, and we have no programs at all in Syria. As was the case in the 1955 program, we think we are justified in seeking a further allotment of \$20 million for these three countries using the same rationale which has served us in the past years, identifying our interest in these countries with the need for solution of the Arab refugee problem with which is linked progress in the Jordan Valley. Your letter suggests that the amounts required for your purpose be an addition to amounts "presently contemplated under the regular economic aid