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THE WHITE HOUSE
WASHINGTON

STAFF NOTES NO. 121

May 28, 1957

1. Jordan Aid. -- The top Jordanian cabinet ministers have re-jected as politically unacceptable the usual conditions contained in the draft agreement for \$10 million in additional aid. Our representa-tives in Amman believe that the Jordanians are so deeply concerned that they will reject the aid rather than face the public with the conditions attached. In reply, we yesterday instructed the Embassy that if, in its opinion, political factors were overriding, it could release the \$10 million substantially without conditions. (S)

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2. Tunisian Request for Immediate Help. -- The Tunisian cabinet met last Thursday in emergency session to consider the measures to be taken in light of the French suspension of credits. Our Ambassador was subsequently requested to give careful consideration to Tunisia's problem of meeting local bills, generated by the development budget, amounting to some 2.5 billion francs which will come due in June and which, if not paid, could have important political and economic repercussions. The Tunisians with the concurrence of the Ambassador and the ICA Mission Director, recommend the temporary diversion of the francs resulting from imports such as sugar and particularly POL, which would be used by the Tunisian Government to meet its obligations. When later repaid, these funds would be used for mutually agreed economic development projects. (S)

3. Position of British Foreign Secretary. -- Embassy London speculates that Foreign Secretary Lloyd may be replaced when the heat of Suez has cooled off, but that if the change comes, efforts will be made to protect Lloyd's standing in the party and the country as much as possible. (C)

4. Indian Land Development. -- Interior recently announced that 65,000 acres of fertile and irrigable land on the Colorado River Indian Reservation near Parker, Arizona, would be offered for agricultural development lease on a competitive basis. The Phoenix press has indicated erroneously that the United Land and Development Co. of Phoenix was to be the lessee, but in fact Interior decided not to negotiate such a large lease on the basis of that company's proposal alone. The lease must by law be consummated by August 14, and Interior is circulating requests for other proposals. Justice has advised that such a development lease would not adversely affect the

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interest of the U. S. as a party in the pending case of Arizona v. California involving this reservation and that it might even aid the Government's claim for water rights. (Adm. Conf.)

5. Army Reserve Strength. -- Although successful recruitment for the National Guard and Army Reserve active duty training program has permitted Army to achieve its input objectives through FY. 1958, budgetary and training capability limitations have required administrative measures to reduce the number of personnel eligible for such training. (Adm. Conf.)

6. Canadian Army Participation in Atomic Exercises. -- The Canadian Army will participate in DESERT ROCK VII and VIII, the U.S. Army exercises to be conducted this summer in connection with the atomic tests in Nevada. (C)



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