

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

C0001-07

INCOMING

DATE RECEIVED: JANUARY 31, 1990

NAME OF CORRESPONDENT: MR. ZAHI W. KHOURI

SUBJECT: FORWARDS COPY OF STATEMENT CONCERNING
MIDDLE EAST NEGOTIATIONS
FORWARDS PAPER PRESENTED AT CSIS LAST YEAR

		ACTION		DISPOSITION	
ROUTE TO:		ACT	DATE	TYPE	C COMPLETED
OFFICE/AGENCY	(STAFF NAME)	CODE	YY/MM/DD	RESP	D YY/MM/DD
JOHN SUNUNU		ORG	90/01/31	JS	A 90/02/05
REFERRAL NOTE:					
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COMMENTS:

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: _____

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*A-APPROPRIATE ACTION	*A-ANSWERED	*TYPE RESP=INITIALS	*
*C-COMMENT/RECOM	*B-NON-SPEC-REFERRAL	*OF SIGNER	*
*D-DRAFT RESPONSE	*C-COMPLETED	*CODE = A	*
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MANAGEMENT.

THE WHITE HOUSE
WASHINGTON

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WASHINGTON

THE WHITE HOUSE
WASHINGTON

February 5, 1990

Dear Mr. Khouri,

I enjoyed our telephone conversation and appreciate you following up with further information on the Middle East.

With best wishes,

Sincerely,



John H. Sununu
Chief of Staff

Mr. John W. Khouri
Chairman
Defense Nuclear Facilities
1000 Independence Avenue, N.W.
Washington, D.C. 20585

Mr. Zahi W. Khouri
505 Park Avenue
11th Floor
New York, New York 10022

Mr. John T. ...
Chairman
Defense Nuclear
1000 Independence
Washington, D.C.

Withdrawal/Redaction Sheet

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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03. Letter	Case Number 109371 From Zahi Khouri to John Sununu. Re: Forwards copy of statement concerning Middle East negotiations. [Redaction of personal phone number.] (1 pp.)	01/30/190	(b)(6)	

Collection:

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Office: Records Management, White House Office of (WHORM)
Series: Subject File
Subseries: Scanned
WHORM Cat.: CO001-07
File Location: 090632 to 124542

Date Closed: 2/13/2007	OA/ID Number: 00002-001
FOIA/SYS Case #: 2003-0255-F	Appeal Case #:
Re-review Case #:	Appeal Disposition:
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(b)(9) Release would disclose geological or geophysical information

ZAHl W. KHOURI
505 PARK AVENUE, 11TH FLOOR
NEW YORK, NY 10022

January 30, 1990

The Honorable John Sununu
Chief of Staff
The White House
Washington, DC 20500

Dear Sir:

I very much appreciated our telephone conversation of yesterday. I am attaching a copy of the statement which we discussed broadly with Ambassador John Kelly. Also present were Lester Crown, Howard Squadron, Najeeb Halaby, Al Tahmoush and myself. Ambassador Kelly had with him John Hirsch and Dan Kurtzer from the State Department. It was a candid discussion.

I am also attaching a paper I gave a year ago at the CSIS - International Counsellors which is chaired by Dr. Kissinger. I believe the paper was well received.

Best personal regards.

Respectfully,



ZWK:amv

Enclosures

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THE WHITE HOUSE
WASHINGTON
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Comments:

FACING REALITIES ABOUT A MIDDLE EAST NEGOTIATION

We are a group of Americans of Arab background and Jewish background who along with former Secretary of State Cyrus Vance, have been working together for seven years. We have focused on two areas -- economic development for the Palestinian Arab population of the West Bank and Gaza, and how to get the parties to the Middle East conflict to the peace table. We have involved ourselves in these efforts, as Americans, because we believe the United States has a vital and continuing role to play in the Middle East peace process. We expect our government to be even more deeply involved in that process in the next few years.

We have made very modest contributions in both areas, partially because the problems are so difficult, and partially because we have quite deliberately set limited goals. Thus, we have never tried to agree on, or to recommend, the terms of any possible settlement. We have recognized that only the parties, at a peace table, can work out such terms.

In the areas of our concentration we have informed ourselves through meetings with very high officials in the Israeli, Jordanian, Egyptian and American governments. We have also met with Americans affiliated with the PLO.

The actions of, and resulting from, the intifada in the West Bank and Gaza have prevented, for the time being, all efforts in the area of economic development. On the other hand, they have highlighted the necessity for finding a way to get to the peace table. Although we have avoided public statements, we now believe that some truths about getting to the table

deserve public expression. Our group reflects a broad spectrum of views and backgrounds, and we trust that its observations and conclusions will be given serious consideration.

Each of the parties to the Middle East dispute has stated publicly from time to time that it is prepared to commence peace negotiations "without any preconditions". We believe that the parties would long since have been at the table if that particular rhetorical phrase had been sincere and had been acted upon. In fact, each of the parties has raised unrealistic preconditions to a peace negotiation. We urge that these preconditions, which we regard as obstacles, be discarded.

The first obstacle is the demand that the Palestinians be represented by persons independent of the PLO.

We understand that internal political considerations in the United States and Israel may dictate a Palestinian delegation that does not include prominent PLO officials. We believe that, at the present time, the Bush administration and most of the Arab world, accept that necessity; and are prepared accordingly to work with Israel in the selection of the initial Palestinian delegation. However, in the real world, no Arab country (not even Egypt) - nor any Palestinian delegation - will participate in a peace negotiation, if the members of that delegation have not previously been approved by the PLO. It is time to acknowledge that no Palestinian delegation will make any proposal that has not received PLO sanction, and that no Palestinian delegation will agree to any solution that does not have PLO endorsement. That reality should be honestly faced.

Next, there is the demand that the discussion be limited to particular issues. Naturally, if the first meeting is to discuss procedures for an election, the agenda for the meeting should conform to that purpose. But it is inevitable that there will be some conversation about the next step after the election - if only in terms of process, timetable, and the agenda for the meeting after the election. Any attempt to circumscribe the initial discussion more closely is unrealistic.

The third obstacle is the consistent reiteration by one party or the other of ultimate goals. Depending on the party, the demand is articulated that the goal be "sovereignty", "autonomy", "confederation" -- or whatever. In the real world, Israel's security concerns as well as the political needs of the Palestinians for maximum self-governance will ultimately have to be addressed, after delegations are selected, elections are held, and the parties are finally discussing substantive issues. The problems do not lend themselves to traditional solutions. New modes of relationship and new arrangements for living together will have to be developed. There will have to be lengthy and complicated negotiations directly between the parties involved, with the assistance of the United States, and possibly Egypt, if the parties want such assistance.

Finally, there is the question whether an Israeli-Palestinian agreement, if it can be achieved, is sufficient. What constitutes a comprehensive peace? Israel expects, not unreasonably, peace commitments from the entire Arab world. The Arab states take the position that the Palestinian problem must first be solved "in all its aspects" -- and comprehensive peace will follow. This chicken-egg obstacle must be addressed. In some manner, the other players - particularly Syria and Jordan - must be brought into the process as quickly as possible.

Our own experience -- with strong ties to both sides -- teaches us that it is possible to resolve deep differences if parties with opposing viewpoints are willing to sit together and talk. We have been impressed by how our differ-

ences have narrowed over the years, because we chose to talk to each other.

We urge that the prior demands and preconditions, the proposed formulas and frameworks, the unrealistic expectations and dreams -- the obstacles to progress -- be put aside. We urge that sincere and serious attention be paid to taking the first step on what will be a very long and difficult road - by agreeing on the composition of a Palestinian delegation, elections, and an agenda consistent with reality.

CENTER FOR STRATEGIC & INTERNATIONAL STUDIES
INTERNATIONAL COUNSELLORS MEETING
WASHINGTON, D.C.

JANUARY 9-10, 1989

REMARKS
DELIVERED BY: ZAHİ W. KHOURI

LADIES AND GENTLEMEN:

MR. SCHULER HAS COVERED ENERGY, AND IN PARTICULAR THE MIDDLE EAST ROLE IN THIS VITAL COMMODITY. I WOULD LIKE TO ADDRESS THE MIDDLE EAST FROM A POLITICAL PERSPECTIVE.

PEACE IS THE MOST NEEDED INGREDIENT TO THE MIDDLE EAST NOW IF WE ARE GOING TO DEPEND ON THIS REGION FOR ENERGY, STRATEGY AND MARKETS FOR OUR PRODUCTS. BY PEACE IN THE MIDDLE EAST I SPECIFICALLY MEAN THE ISRAELI/PALESTINIAN ISSUE AS IN MY OPINION THERE IS NO ARAB/ISRAELI ISSUE.

I WILL NOW ATTEMPT TO EXPLAIN WHY PEACE BETWEEN ISRAEL AND THE PALESTINIANS WILL SOLVE THE PROBLEMS FOR ALL THE PEOPLE OF THE MIDDLE EAST, FOR THE UNITED STATES IN PARTICULAR, AND THE REST OF THE WORLD IN GENERAL.

SHOULD ISRAELI LEADERSHIP TAKE UP THE OFFER OF THE PLO AND APPLY THEIR ENERGY, CREATIVITY AND ABILITY, WE WILL HAVE A JUST AND LASTING PEACE IN THE MIDDLE EAST IN LESS THAN ONE YEAR.

WHAT ARE THE BENEFITS TO BE DERIVED FROM THIS BEAUTIFUL AMBITION FOR PEACE FOR THE 3 PARTIES CONCERNED, THE AMERICANS, THE PALESTINIANS AND THE ISRAELIS?

I. I BEGIN WITH BENEFITS TO THE UNITED STATES:

1. PEACE AGREED BY THE ISRAELIS AND PALESTINIANS WOULD RESTORE AMERICAN CREDIBILITY AND GOOD-WILL, NOT ONLY AMONG THE ARABS AND ISLAMIC COUNTRIES BUT WITH ITS WESTERN ALLIES AND PEOPLES.
2. THE PALESTINIAN-ISRAELI CONFLICT IS THE MAIN REMAINING CRISIS BETWEEN THE TWO MAJOR POWERS IN THE THIRD WORLD WHICH REMAINS EXPLOSIVE AND NEEDS AN URGENT SOLUTION.
3. ANY US ECONOMIC AND STRATEGIC MATTER, FROM THE ATLANTIC TO THE INDIAN OCEAN -- IS ALWAYS SEEN THROUGH THE ISRAELI PRISM RATHER THAN FROM A U.S. INTEREST POINT OF VIEW.

4. ON STRATEGIC ALLIANCE, ISRAEL WOULD BE A MUCH MORE VALUABLE PARTNER TO THE U.S. WHEN IN PEACE WITH ITS NEIGHBORS RATHER THAN AT WAR WITH ITS NEIGHBORS. ISRAEL NEEDS TO BE CONVERTED FROM AN ALLY UNDER SIEGE TO A USEFUL ALLY.

5. PEACE WILL LIFT A HEAVY BURDEN FROM THE SHOULDERS OF THE AMERICAN TAXPAYER.

II. NOW I WOULD LIKE TO LIST THE BENEFITS FOR THE PALESTINIANS MOST OF WHICH ARE NATURAL AND BASIC NEEDS.

1. THEY NEED THEIR DIGNITY AND IDENTITY TO BE RESTORED. THEY NEED A FLAG, A PASSPORT, A PLACE OF THEIR OWN TO RETURN TO, A PLACE TO GET MARRIED AND BE BURIED -- A PLACE TO SEND THEIR CHILDREN FOR EDUCATION ... I.E. A HOMELAND.
2. NOT ALL DIASPORA PALESTINIANS WILL FLOCK TO A PALESTINIAN STATE, ANY MORE THAN ALL JEWS WANT TO LIVE IN ISRAEL, GIVEN THE MODEST ECONOMIC OPPORTUNITIES IN A PALESTINIAN STATE AND GIVEN THE FACT THAT DIASPORA PALESTINIANS CONSTITUTE AN ARAB ELITE OF PROFESSIONALS AND INTELLECTUALS.
3. A PALESTINIAN STATE IS NOT A SECURITY RISK FOR ISRAEL AND TO THE CONTRARY IT WILL GIVE ISRAEL SAFE BORDERS. PALESTINIAN LEADERSHIP HAS NOW RENOUNCED ANY ACT OF TERRORISM AND ITS FUTURE GOVERNMENT CAN BE HELD ACCOUNTABLE FOR ANY ACTION OR INFILTRATION INTO ISRAEL WHICH WILL ELIMINATE THE PRESENT CONFUSION.

4. AS ABBA EBAN RECENTLY STATED: "THE ISRAELI DEFENSE SYSTEM IS ONE OF THE WONDERS OF THE WORLD". WITH THIS TESTIMONY, A PALESTINIAN STATE COULD NOT BE OF ANY DANGER TO ISRAEL. ISRAEL TODAY IS PROBABLY THE FIFTH LARGEST MILITARY POWER IN THE WORLD, AND POSSIBLY THE BEST. IN FACT, THE ABSENCE OF A PALESTINIAN STATE PRESENTS MORE DANGER AND TERRORISM FOR ISRAEL.
5. ONCE THEIR QUEST FOR INDEPENDENCE HAS BEEN ACHIEVED, THEY WILL BE BUSY GOVERNING THEMSELVES AND BUILDING A NATION. TRUST AND SYMMETRY WILL ALSO BE ESTABLISHED BETWEEN PALESTINIANS AND ISRAELIS, AND A HEALTHY TRADE RELATIONSHIP ESTABLISHED. THE PALESTINIANS WILL CONTINUE, BUT NOW ON A FAIR BASIS, TO PROVIDE LABOR TO THE ISRAELI ECONOMY AND THE ISRAELI PRODUCT WILL HAVE A BROADER AND MORE IMMEDIATE MARKET.

III. NOW I WILL LIST THE BENEFITS FOR THE ISRAELIS, MOST OF WHICH ARE
ESSENTIAL FOR THE MAINTENANCE OF A STRONGER ISRAEL.

1. THE ISRAELIS WILL HAVE PEACE AFTER 41 YEARS OF ITS EXISTENCE.
2. ISRAEL COULD BECOME ECONOMICALLY A VIABLE STATE IN 3-4 YEARS AFTER A
PEACEFUL SETTLEMENT. TODAY ISRAEL IS SUFFERING ITS MOST SEVERE
ECONOMIC SLOWDOWN, INFLATION AND UNEMPLOYMENT.
3. ISRAEL WOULD BE RECOGNIZED BY MOST OF THE 22 ARAB STATES WITHIN 18
MONTHS.
4. WITH DIPLOMATIC RECOGNITION AND SECURITY ASSURED, ISRAEL COULD FIND
ITSELF ON THE DOORSTEP OF AN UNPRECEDENTED GROWTH AND PROSPERITY.
5. WITH GREECE, SPAIN AND PORTUGAL HAVING JOINED THE EUROPEAN COMMUNITY,
AND 1992 GETTING CLOSER, ISRAEL WILL UNDOUBTEDLY FACE UNPRECEDENTED
COMPETITION IN TRYING TO SELL ITS PRODUCE AND GOODS TO THE EUROPEAN
COMMUNITY. THE ARAB COUNTRIES WITH THEIR SUPERB NETWORK OF ROADS COULD
BE ISRAEL'S BEST TRADING PARTNERS WHERE CONSUMERS ARE READILY
AVAILABLE AND COULD BE EASILY REACHED OVERLAND BY TRUCK WITHIN HOURS.

6. NEW PRODUCTS DEVELOPED IN ISRAEL COULD BE SHARED WITH THEIR ARAB NEIGHBORS ALONG WITH AGRICULTURAL TECHNOLOGY.
7. THE TOURISM INDUSTRY WHICH HAS SUFFERED IN THE PAST (MOST MAJOR HOTELS ARE RUNNING AT ONE-THIRD OCCUPANCY) WILL BE RESTORED AND IN ADDITION A MAJOR SURGE IN ACTIVITY WILL COME FROM THE ARAB WORLD WHERE RELATIVES OF ISRAELI PALESTINIANS AND ARABS WOULD VISIT ISRAEL, ON EXTENSIVE STAYS ALL OF WHICH WOULD PROVIDE BADLY NEEDED HARD CURRENCY.
8. ANY REDUCTION OF THE DEFENSE BUDGET WILL ALSO, HAVE MAJOR BENEFITS TO ISRAEL BALANCE OF PAYMENT CONSEQUENTLY TO THE CIVILIAN ECONOMIC WELFARE. ISRAEL WOULD BECOME A MORE PRODUCTIVE SOCIETY.
9. ISRAEL WITH ITS HIGHLY QUALIFIED AND TRAINED DOCTORS, SCIENTISTS AND THE VARIOUS MEDICAL CENTERS WILL SEE PEOPLE FROM THE AREA JOURNEY TO ISRAEL FOR HEALTH CARE TREATMENT AND ISRAEL COULD BECOME A MAJOR MEDICAL CENTER FOR THE MIDDLE EAST INSTEAD OF TRAVELLING TO EUROPEAN COUNTRIES FOR THESE FACILITIES.
10. THE ARAB VISITORS WILL HAVE ACCESS TO INDIGENOUS TV AND RADIO PROGRAMS, ARABIC PAPERS, AND WOULD FEEL MORE AT HOME THAN JOURNEYING TO LONDON WHERE MOST OF THEM NOW GO.

- 11 ARAB INVESTORS WOULD INVEST WITH ISRAELIS IN DEVELOPING ADDITIONAL MEDICAL FACILITIES AND HEALTH CARE CENTERS. AS ALL OF YOU PROBABLY KNOW, THE ARABS ARE BIG PLAYERS IN THIS INVESTMENT IN THE U.K.
- 12 IT IS REGRETTABLE THAT ARAB AND ISRAELI BUSINESSMEN MEET OUTSIDE OF THE MIDDLE EAST WHERE IT WOULD TAKE ONE HOUR FROM ALMOST ANY MAJOR ARAB CITY TO AND FROM TEL-AVIV.
- 13 AS A RESULT OF PEACE, ISRAEL WOULD NOT NEED MULTI-BILLION DOLLAR HANDOUTS FROM THE UNITED STATES, WITH ALL THE DEMEANING DEPENDENCY THAT IT IMPLIES. THEY COULD REALIZE THE VISION OF A PROUD, INDEPENDENT, AND FORWARD LOOKING STATE IN THE HIGHEST TRADITION OF JUDAISM'S CONTRIBUTIONS TO THE WORLD, INSTEAD OF THE CURRENT PICTURE OF A BELEAGUERED AND BESIEGED FORTRESS OPPRESSING THE LOCAL PALESTINIAN SERFS, WITH ALL THE HARM THAT HAS DONE TO JUDAISM'S VISION OF ITSELF AND ITS TRADITION. ACCORDING TO A LEADING ISRAELI, "THE DISINTEGRATION OF THE ISRAELI SOCIETY IS ON THE MIND OF A NUMBER OF ISRAELIS".
- 14 THE ISRAELI ARMY WILL CEASE TO BE AN OCCUPATION ARMY, A WEAKENING ARMY. THE US VIETNAM EXPERIENCE SPEAKS FOR ITSELF. ALSO, THE REQUIREMENT OF SERVING IN THE RESERVE ARMY WILL MOST LIKELY BE SUBSTANTIALLY REDUCED.

- 15 THE ISRAELI SOLDIER HAS PROVEN HIS PROWESS IN THE BATTLEFIELD,
HOWEVER, HE AND HIS FAMILY HAVE LIVED IN TRAUMA WITH SLEEPLESS NIGHTS
WHEN THEY KNOW THAT A MEMBER OF THEIR FAMILY HAS KILLED A ROCK
THROWING TEENAGER.
- 16 THERE IS HARDLY AN ISRAELI FAMILY THAT HAS NOT LOST ONE OR MORE OF ITS
MEMBERS TO THE INCESSANT WARFARES OF THE LAST 4 DECADES.
- 17 THE PRESENT EMIGRATION OF ISRAEL RESULTING IN A SERIOUS BRAIN DRAIN,
WOULD DIMINISH.

IN CLOSING, EVERYONE HAS SUFFERED ENOUGH FROM
PROLONGING INTOLERANCE, AND WE ALL HAVE
EVERYTHING TO GAIN BY BRINGING IT TO AN END.

WE HAVE SUCCEEDED IN PUSHING THE PLO TO ACCEPT
OUR DEMANDS AND COME FORWARD FOR PEACE. WHY
DON'T WE APPLY THE SAME PRESSURE ON ISRAEL?
IF WE SUCCEED, THE PRESENT ISRAELI AND
PALESTINIAN CHILDREN WILL BE SAYING BY THE
YEAR 2000, THAT 1989 WAS "OUR FINEST HOUR".