

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

CO 001-07

DATE RECEIVED: AUGUST 08, 1990

NAME OF CORRESPONDENT: MR. AL DEMATTEIS

SUBJECT: WRITES REGARDING THE MIDDLE EAST TURMOIL

		ACTION		DISPOSITION	
ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACT CODE	DATE YY/MM/DD	TYPE RESP	C COMPLETED D YY/MM/DD
JOHN SUNUNU		ORG	90/08/08		0 90/08/10 L3
99805	REFERRAL NOTE:		90/08/14 L3		0 1/1
	REFERRAL NOTE:		1/1		1/1
	REFERRAL NOTE:		1/1		1/1
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	REFERRAL NOTE:		1/1		1/1

COMMENTS:

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: _____

CS MAIL USER CODES: (A) _____ (B) _____ (C) _____

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*ACTION CODES:          *DISPOSITION          *OUTGOING          *
*                        *                        *CORRESPONDENCE:   *
*A-APPROPRIATE ACTION  *A-ANSWERED          *TYPE RESP=INITIALS *
*C-COMMENT/RECOM       *B-NON-SPEC-REFERRAL  *          OF SIGNER *
*D-DRAFT RESPONSE      *C-COMPLETED          *          CODE = A   *
*F-FURNISH FACT SHEET  *S-SUSPENDED          *COMPLETED = DATE OF *
*I-INFO COPY/NO ACT NEC*                        *          OUTGOING  *
*R-DIRECT REPLY W/COPY *                        *                        *
*S-FOR-SIGNATURE       *                        *                        *
*X-INTERIM REPLY       *                        *                        *
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE
(ROOM 75, OEOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS
MANAGEMENT.



LEON D. DEMATTEIS CONSTRUCTION CORP.

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516-285-5500 - 212-673-5450

August 6, 1990

The Honorable John H. Sununu
Chief of Staff
The White House
Washington, D.C. 20050

Re: Middle East Turmoil

Dear John,

Since I spent ten (10) years in Saudi Arabia with many trips through Kuwait, Jordan, Syria and UAE, and having served as Chairman of the Businessmens Group of Riyadh with a very close relationship with our Embassy Officials, and in addition to the various Senate and Congressional Groups we met with in regard to our special relationship with Saudi Arabia and having been quoted in local Saudi newspapers about this relationship, I naturally am glued to the TV and newspapers about the current situation with Iraq.

It appears that several of the legislature people conducting interviews on TV now back our efforts to assist Saudi Arabia should they be attacked by Iraq. These same people were against the arms sales to Saudi which opened the doors to other nations **unrestricted** arms sales to the Saudi's and reduced our "unofficial" military presence in the Kingdom.

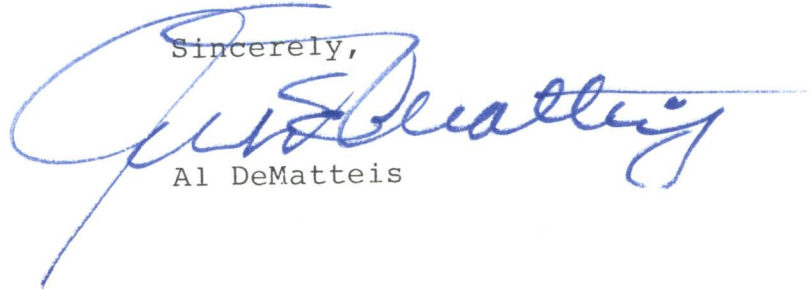
Unless I missed something important, where were our AWACS? I had the clearance to board an AWAC and visit the secured Ground Command Center. I was amazed over the information these planes were capable of delivering. Did we miss out on something during Iraq's invasion of Kuwait?

I had always advocated, verbally and in writing, that should Saudi Arabia be invaded the U.S. would call on the Israeli's to take on the initial stages of defense while we mobilized our forces and hardware. Perhaps the Saudi's are now sorry they did not grant the U.S. request to "house" our troops at one of the vast military complexes throughout the Kingdom.

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Just letting some steam off my chest, John. We have been talking about the defense of Saudi Arabia for years and still have no firm policy on what to do. This bothers me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Al DeMatteis', with a large, sweeping initial 'A'.

Al DeMatteis

ALD/ab

MEMORANDUM

August 10, 1988

Please read the attached article. This issue was the subject of two (2) Position Papers the ABGR prepared in Saudi Arabia and distributed to all members of House and Senate as well as the President and Cabinet members. The first Position Paper - America's Loss Of Business In The Middle East - which I prepared in 1980 cautioned Congress with realistic statistics. The second Paper we put out in 1985 dealt with the loss of defense contracts and the losses to American industry and employment.

As early as 1983, when I was Chairman of the American Businessmens Group of Riyadh, we **knew** this was going to happen. The U.S. has lost out on sales, employment and prestige in the Middle East!

 ALD

ALD:ck
Enclosure(s)

MIDDLE EAST

Let's Not Make a Deal

Why the U.S. is losing out on weapons sales to the Arab world

The arms deal of the century, newspapers around the world are calling it. Over the next two decades, Saudi Arabia will buy as much as \$25 billion worth of jet fighters, helicopters, minesweepers and military services from Britain in exchange for oil and hard cash. The agreement, signed earlier this month, means that Britain will supplant the U.S. as the Saudis' main arms supplier. The British thus benefited directly from the U.S. Congress's refusal to approve the transfer to the Saudis of 40 advanced F-15 fighters in 1985 and 800 Stinger missiles in 1986.

The accord delivers a blow to U.S. influence in the Arab world and highlights the Reagan Administration's losing fight to overcome the resistance of the powerful U.S. Jewish lobby to weapons sales to Arab countries. The last major U.S. deal with the Saudis was in 1981, when the Administration barely surmounted congressional opposition and sold Riyadh five AWACS radar-surveillance planes.

U.S. relations with the Arab world were further complicated last week when, much to the surprise and embarrassment of the White House, the Senate voted to deny Kuwait sophisticated Maverick air-to-surface missiles just days before the Kuwaiti Prime Minister, Crown Prince Saad al-Abdullah al-Sabah, arrived in Washington. Kuwait would like to buy \$1.9 billion worth of arms, including



The Queen and Abdullah at Ascot

The contract will create 50,000 jobs.

40 F-18 jet fighters, of which the Mavericks are considered an essential feature.

Administration officials contended last week that it is in America's interest—strategically, diplomatically and economically—to meet the military needs of friendly Arab states and thereby maintain some control over how the weapons are used. "If we don't sell the Kuwaitis the weapons systems they need," said a State Department official, "they are going to go elsewhere."

Kuwait made its options clear when, in the wake of the Senate vote, it promptly agreed to buy 245 armored personnel car-

riers from the Soviet Union. A host of other nations, including France, China, Brazil and Argentina, are eagerly competing to meet the oil-rich Persian Gulf Arabs' desire to shore up defenses against their fundamentalist neighbor Iran.

Under the British-Saudi agreement, Riyadh will obtain 48 Tornado fighter-bombers to add to the 72 it has already contracted for, as well as up to 60 Hawk jet trainers, 80 helicopters and six minesweepers. Britain will also build two military airfields and provide training for Saudi Arabia's army and air force.

Israeli officials accused the British of undermining the Jewish state's security. Yossi Ben-Aharon, Prime Minister Yitzhak Shamir's director general, said the Tornado fighters would allow Saudi Arabia to "hit us in the soft underbelly from the south." But Israeli objections were dismissed by British officials. The Israelis "know full well," said a Cabinet minister, that the weapons will be deployed only as a defense against Iran.

The wooing of the Saudis absorbed the British government at every level. Saudi Crown Prince Abdullah bin Abdul al-Saud attended the races at Ascot last month as the guest of Queen Elizabeth II. Having visited Saudi Arabia to press for the sale in 1986, Conservative Prime Minister Margaret Thatcher was not about to fall in line with the U.S. in this case, as she has on other issues. She is determined that nothing go amiss with a deal that promises to create 50,000 British jobs. —*By Michael S. Serrill.*
Reported by Dean Fischer/Calro and Frank Melville/London