

THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

00 072

DATE RECEIVED: AUGUST 21, 1990

NAME OF CORRESPONDENT: MR. THOMAS J. COAD

SUBJECT: OFFERS HIS ASSESSMENT OF THE IRAQI INVASION  
OF KUWAIT

		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	90/08/21	JS	A 90/09/04 TC
99005	REFERRAL NOTE:		90/09/06	TC	C 1/1
	REFERRAL NOTE:		1/1		1/1
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COMMENTS:

JHS-60

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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KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING  
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS  
MANAGEMENT.



September 4, 1990

Dear Mr. Coad:

Thank you for your recent letter regarding the current situation in the Middle East.

I appreciate your sharing your thoughts with me and have taken the liberty of forwarding your concerns to others on our staff coordinating the President's effort in this area.

Your input is very helpful.

Sincerely,

John H. Sununu  
Chief of Staff

Mr. Thomas J. Coad  
6016 Northeast Keswick Drive  
Seattle, Washington 98105

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cc: Mike Ortega, OEOB Rm. 54A

STATE WITH COPY OF INCOMING-(FYI)

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JHS-6C  
Mr. Coad  
168148  
THOMAS J. COAD

6016 N.E. Keswick Drive  
Seattle, Washington 98105

... the current situation in the Middle East  
August 21, 1990

DOS  
(fyi)  
Mr. John Sununu  
THE WHITE HOUSE  
Washington, D.C. 20500

Dear Mr. Sununu:

The enclosed articles present a different slant on the Iraqi invasion of Kuwait. The shorter one is a condensed version. I have sent these to various newspapers in the U.S. and thought that you also might be interested in reading them.

The theory I'm advancing may be unusual, but it seems to make a lot of sense. I hope events take the path outlined. If not, a shooting war seems almost inevitable.

I have travelled extensively in the Middle East and have developed a special interest in the Palestinian refugee problem. Last year I was a member of the National Newspaper delegation which visited Iraq, Syria, Kuwait, Bahrain, Saudi Arabia, Jordan, Oman and Egypt. Our group met with King Hussein, and foreign ministers and leaders of most of the other countries.

Later in the year I paid another visit to Israel, where I was able to interview Israelis and Palestinians closely involved with the West Bank/Gaza problem. Among these were Faisal al-Husseini; Radwan Ayyash, bureau chief of the Arab Media Center; Gen. Aharon Yariv, director of the Jaffee Center for Strategic Studies; Gen. Aharon Levran, Prof. Daniel Elazar, and others.

I am former owner/publisher of suburban newspapers in the Seattle and Portland areas, and am former president of the Washington Newspaper Publishers Association. After World War II, I was worked in Military Government and later as foreign service staff officer with the U.S. Dept. of State.

Sincerely,

Tom Coad

Thomas J. Coad  
Tel: 206-526-7950

AUG 24 1990

THE WHITE HOUSE  
WASHINGTON  
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Comments:

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## NEXT -- THE BIG SURPRISE

By Thomas J. Coad

Iraq's president Saddam Hussein is almost ready to spring his next surprise. When it happens, he stands an excellent chance of getting everything he wants without firing a shot.

At present the preparations nearly are complete. Hussein has taken over a neighboring country with the third richest oil reserves on earth. He has moved the world dangerously close to a war no one wants. Hostages are being used to shield Iraq's strategic positions. To circumvent the blockade, sudden peace with Iran has opened a long border for smuggling needed supplies, easily paid with the \$3 billion worth of gold bars stolen from Kuwait. King Hussein of Jordan is in such a painful position that he also must find ways to render assistance to Iraq.

The time is now ripe for the major action. The key player will be Yasser Arafat, whose absence from the news has not been accompanied by idleness.

Arafat soon will demand that the Palestinians and other Arab residents of Kuwait be granted citizenship. Arafat will argue -- quite justifiably -- that these people were responsible for converting Kuwait from a nomadic society into a modern, oil-rich state.

Saddam Hussein, who has de facto control of Kuwait, will grant citizenship to these Arab expatriates. He also will modify the constitution to permit the Amir to be selected by the newly elected National Assembly.

Without going into details, the result of free, UN supervised elections would be to make Yassir Arafat the new Amir of Kuwait. Hussein would pull his troops away from all the

#### ADD ONE - THE BIG SURPRISE

population centers during the voting, and then pull out completely after the new government is installed.

There would be no reasonable grounds for the U.S. or anyone else to object. Iraq would leave Kuwait, the lawful residents would be in control, the ruling al-Sabah family would leave unlamented, the U.S. could keep a small military force in Saudi Arabia as a trip wire against invasion, the hostages would be released, and the crisis would be over.

The real icing on the cake would be solution of the Palestinian refugee problem. Arafat would open Kuwait's borders to the 800,000 Palestinian refugees now crowded in refugee camps in Jordan, Syria, Gaza, the West Bank and Lebanon. Part of the million or so Palestinians now outside camps would follow. The Palestinians would have comfortable new homes and a country of their own. The "Right to Return" clause in the PLO Charter would become moot.

Saddam Hussein would grab the biggest loot in the history of the world. Once the new Kuwait government is recognized, assets totalling nearly \$100 billion dollars would be unfrozen. A substantial share would find its way to Iraq in the form of "soft loans." The National Assembly also could levy a retroactive tax on \$25 billion worth of private investments held by Kuwaitis unlucky enough to remain in the country. The tax would be the price of their freedom.

Without superpower rivalry spilling into the Middle East, the supply of arms could be shut off, borders would tend to stabilize, and Israel could work out a peaceful settlement in Gaza and the West Bank without battling the PLO. To balance growing

ADD TWO - THE BIG SURPRISE

Iraqi power, Syria would have an incentive to work out a settlement of the Golan Heights issue and move toward peace with Israel. And Jordan's Hashemite king finally would gain secure borders, and a smaller, more homogenous population.

Iraq and Kuwait undoubtedly would join the Saudis and the United Emirates to keep oil prices high, but these efforts would be tempered by the oil glut, an increased emphasis on conservation, additions to the strategic reserves, and exploitation of new oil fields in the Soviet Union and elsewhere. OPEC control of oil prices would gradually become weaker.

Would Saddam Hussein strike again? It's not likely. There's no place he could get so much for so little. And there would be no one left to supply him with arms or the means to manufacture them. He might even use his enormous oil wealth for the benefit of the Iraqi people.

Part of any settlement should entail a freeze on nuclear arms in the Middle East. This wouldn't be hard for Hussein to swallow, since he still doesn't have any. Fear of a nuclear attack from Israel is ridiculous, and Hussein knows it. Besides, with the West Bank/Gaza question simplified, there's not much left to fight about.

Is this fantasy? Maybe. But stranger things have happened in the Middle East, with far less logic.

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## IRAQ'S ROAD TO SUCCESS

By Thomas J. Coad

It must be difficult for Saddam Hussein to suppress his glee at the march of events in the Middle East.

In a single, bloodless operation, Iraq has occupied the country with the third richest oil reserves in the world. Pres. Hussein has become the leader of the Middle East's impoverished Arabs against the arrogant millionaires in Saudi Arabia and the Emirates. He has made most of the Arabs believe that the U.S. will risk war to control oil prices, but will not lift a finger against the Israeli occupation of Gaza and the West Bank.

Recently he has negotiated a settlement with Iran which will ease tensions along the 115 mile Shatt al Arab waterway and the 400 miles of land border, freeing more of his troops for duty between Kuwait and Saudi Arabia. Even more beneficial will be the supplies which will cross from Iran into Iraq, either legally or illegally. The "interdiction" maintained by the U.S. Navy in the gulf will become little more than a short term inconvenience.

Iraq's military buildup along the Saudi border will continue to be a giant bluff, intended to make the U.S. nervous enough to bring a huge force into the searing heat of the desert, and convince Saudi Arabia that its wealth will soon disappear in a military conflagration.

To protect Iraq against a sudden, devastating air attack from the United States, thousands of American and British citizens will continue to be detained in places where they surely would be killed in event of war. Chances of such an attack are near zero at present, and Hussein knows it. But the "detainees" still are cheap insurance. He is too smart to harm them during their



## ADD ONE - IRAQ'S ROAD TO SUCCESS

enforced residence.

While the U.S. and small Arab contingents settle down to struggle with the heat and the Saudis, and the American public grows weary of paying billions to support Saudi blackmailers who have gouged them in the past, Hussein soon will be ready to spring his next surprise, and gain all his objectives without firing a shot.

The key to victory is Yasser Arafat, head of the Palestine Liberation Organization and former engineer in Kuwait. Arafat, who enthusiastically embraced Hussein following the invasion, has been strangely missing from the news lately. But he certainly certainly hasn't been idle.

Recent events have presented Arafat with a priceless, once-in-a-lifetime opportunity. Only a fool could ignore it, and Arafat is no fool.

At present, he and his PLO henchmen undoubtedly are developing a formula to grant citizenship to the 400,000 Palestinians and several hundred thousand other Arab residents who have resided in Kuwait for years while converting its nomadic society into a modern, oil-rich state.

The objective is to supplant the present government of Kuwait with a government dominated by the people who have built the country, have lived there, and deserve to share the oil as much as the erstwhile nomads who happened to be in the right place at the right time.

According to present suffrage requirements, only those adult males who resided in Kuwait prior to 1920 and their male descendants are entitled to vote. This group includes about

## ADD TWO - IRAQ'S ROAD TO SUCCESS

57,000 individuals in a native population of 700,000. If the rules were expanded to include all literate Kuwaiti males 21 years of age and older, the total number of native voters would not exceed 140,000.

If the Palestinians and other Arab residents were enfranchised, the non-Kuwaiti males over 21 years of age would far outnumber the natives. Suffrage requirements might include literacy plus three years residence.

The Arab workers in Kuwait have a long list of legitimate complaints. They are frustrated, and they are bitter. Once their work contracts end, they cannot remain in Kuwait under any circumstances. For many of them the road "home" leads to refugee camps. Only the greed of the Kuwaitis stands in the way of their becoming citizens.

Today, Iraq claims to have annexed Kuwait. By exercising de facto rights, Saddam Hussein could enfranchise the Palestinians and other Arabs by the stroke of a pen. He also could modify the 1962 constitution to provide that the National Assembly would elect the Amir, who now is picked by the al-Sabah family and simply approved by the Assembly.

After a brief registration period, a primary election to nominate candidates, and a general election, the native and naturalized voters would elect a new Assembly, which immediately would select a new Amir (Yasser Arafat, of course). To make sure the election is fair, the United Nations could be asked to supervise the voting. Saddam Hussein would withdraw his troops to the borders before the elections, then pull out entirely when the new government takes office. One of the first official acts of



### ADD THREE - IRAQ'S ROAD TO SUCCESS

Kuwait's elected officials would be to demand -- and get -- nearly \$100 billion in frozen Kuwaiti assets. What a haul!

With Arafat in charge (and eternally grateful to Saddam Hussein), the relationship between Kuwait and Iraq would be so close as practically to obliterate the border. The new majority in Kuwait would owe Hussein a debt they never could pay -- except with oil, money (like about \$60 billion in "soft" loans), and other little favors. By leaving the country Iraq would give up its de facto rights, achieve all the fruits of victory without the devastation of a war, and rapidly increase Iraqi living standards. Saddam Hussein would become a hero to nearly everyone in the Arab world.

The new detainees would be the Kuwaiti residents who have at least \$25 billion invested around the world. In return for their freedom they would pay a retroactive tax depriving them of all but a few million dollars worth of jewelry, Mercedes automobiles and expensive hide-a-ways.

Other than the Saudis and the United Emirates, who could possibly object? Not the 100,000,000 Arabs, most of whom detest the wealthy al-Sabah clan, which has ruled Kuwait under a benevolent dictatorship since an arrangement with the British in 1899. Not the Americans, who could hardly oppose a democratic vote including ALL the Arab residents of Kuwait. And certainly not the United Nations, which constantly pays lip service to free elections and unrestricted suffrage.

With Hussein's blessing, Arafat's next step would be to open Kuwait to the 800,000 Palestinian squeezed into refugee camps in Jordan, Syria, Gaza, the West Bank, and Lebanon. Kuwait, which is

#### ADD FOUR - IRAQ'S ROAD TO SUCCESS

not overcrowded, eventually could absorb the entire 2,500,000 Palestinians classified as homeless by the United Nations Relief and Works Agency. When this were done, Arafat would become almost a second Mohammed to the long-suffering refugees. And the most nagging problem in the Middle East would be solved.

A token U.S. force might remain in Saudi Arabia to act as a trip wire against invasion. The Emirates suddenly would develop a more sharing attitude toward their "brother" Arabs. Jews would greatly outnumber Arabs in Greater Israel, sharply reducing population pressures and permitting a settlement with the resident population of Gaza and the West Bank. Finally, Syria would be motivated to arrive at a Golan Heights arrangement with Israel in order to rectify a loss of territory and balance Iraq's growing power.

King Hussein of Jordan would wear the biggest smile. He could unload the 200,000 Palestinians now housed in camps, together with thousands of other Palestinians who threaten the stability of his Hashemite kingdom. Since he would have worked closely with Saddam Hussein and Yasser Arafat during the Kuwaiti changeover, he could expect to enjoy their lasting gratitude plus a few billion dollars in subsidies. He would be so popular he even could be ELECTED king of Jordan.

With secure borders for the first time in memory, he also could bask in renewed friendship with the United States, whose government would appreciate his help in avoiding a truly horrible war. The settlement would rightfully be regarded as a victory for U.S. policy, and would give the Bush administration a tremendous boost in the November elections.



## ADD FIVE - IRAQ'S ROAD TO SUCCESS

The Iraqi menace to Saudi Arabia and the Emirates actually would have proven helpful to the U.S., which would have an excuse to maintain a military force near vital oil supplies. If the U.S. government became unusually imaginative, it could pressure King Fahd into paying for the protection.

Without superpower rivalry spilling over into the Middle East, the supply of arms could be shut off, all borders would tend to stabilize, oratory would hit a less strident pitch, and peace finally could settle on a peculiarly volatile part of the world.

Saddam Hussein and Arafat undoubtedly would join the Saudis and the United Emirates to keep oil prices high, but these efforts would be tempered by the oil glut, an increased emphasis on conservation, additions to the strategic reserves, and exploitation of new oil fields in the Soviet Union and elsewhere.

Would Iraq strike again? It's not likely. There's no place Hussein could get so much for so little. And there is no one left to supply him with arms or the means to manufacture them.

Part of the settlement would require a freeze on nuclear arms in the Middle East. This shouldn't be hard for Hussein to swallow, since he still doesn't have any. Fear of a nuclear attack from Israel is ridiculous, and Hussein knows it.

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