

THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

ID# 233683

20083

INCOMING

DATE RECEIVED: APRIL 29, 1991

NAME OF CORRESPONDENT: MR. HOWARD I. RHINE

SUBJECT: ENCLOSURES AN ARTICLE BY A. M. ROSENTHAL  
REGARDING KUWAIT CONTINUING THE BOYCOTT ON  
COMPANIES DOING BUSINESS WITH ISRAEL FROM  
GETTING RECONSTRUCTION CONTRACTS

ROUTE TO: OFFICE/AGENCY (STAFF NAME)	ACTION		DISPOSITION	
	ACT CODE	DATE YY/MM/DD	TYPE RESP	C COMPLETED D YY/MM/DD
DEPARTMENT OF COMMERCE REFERRAL NOTE:	ORG	91/04/29	LJ	A 91/05/29 TC
REFERRAL NOTE:		/ /		/ /
REFERRAL NOTE:		/ /		/ /
REFERRAL NOTE:		/ /		/ /
REFERRAL NOTE:		/ /		/ /

COMMENTS: INCOMING RETURNED TO CORRESP. ANALYSIS,  
APR 29 91, TO TRACK TO DOC

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 4640

MI MAIL USER CODES: (A) (B) (C)

```

*****
*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        *                        *                        *
*****

```

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.

May 29, 1991

Mr. Howard I. Rhine  
Coleman & Rhine  
1120 Avenue of the Americas  
New York, NY 10036

Dear Mr. Rhine

Thank you for your letter to President Bush regarding the Arab boycott of Israel.

It has been longstanding American policy to encourage Arabs to eliminate the boycott of Israel. Secretary of State Baker reaffirmed this position in a speech he gave in May 1989.

We also appreciate your comments on creating the proper atmosphere for the discussion of peace in the Middle East. We are always interested in learning the views of American citizens.

Sincerely,

Karl S. Reiner  
Director  
Office of the Near East

CONTROL C103860

ONE/KReiner/fm 5/29/91  
cc: official WH w/return of incoming ExecSec ITSec Reiner

FMDisk #9  
Rhine

C 103860

EXECUTIVE SECRETARIAT  
OFFICE OF THE SECRETARY

1991 MAY -1 P 4:15

T H E   W H I T E   H O U S E   O F F I C E

REFERRAL

MAY 1, 1991

TO: DEPARTMENT OF COMMERCE

ACTION REQUESTED:

DIRECT REPLY, FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID: 233683

MEDIA: LETTER, DATED APRIL 13, 1991

TO: PRESIDENT BUSH

FROM: MR. HOWARD I. RHINE  
ATTORNEY  
COLEMAN & RHINE  
1120 AVENUE OF THE AMERICAS  
NEW YORK NY 10036

SUBJECT: ENCLOSURES AN ARTICLE BY A. M. ROSENTHAL  
REGARDING KUWAIT CONTINUING THE BOYCOTT ON  
COMPANIES DOING BUSINESS WITH ISRAEL FROM  
GETTING RECONSTRUCTION CONTRACTS

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN  
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE  
UNDERSIGNED AT 456-7486.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE  
(OR DRAFT) TO:  
AGENCY LIAISON, ROOM 91, THE WHITE HOUSE, 20500

SALLY KELLEY  
DIRECTOR OF AGENCY LIAISON  
PRESIDENTIAL CORRESPONDENCE

(see JD121434)

233683

End ARAB Boycott

Boycott  
Israel

DOC 119

COLEMAN & RHINE

ATTORNEYS

1120 AVENUE OF THE AMERICAS  
NEW YORK, N.Y. 10036

(212) 840-3330

TELECOPIER

(212) 840-3744

HOWARD I. RHINE  
BRUCE S. COLEMAN  
R. JEFFREY MORE  
KENNETH S. GOODWIN  
JOSEPH E. GASPERETTI

DAVID R. RAPPAPORT

March 14, 1991

President George Bush  
The White House  
1600 Pennsylvania Avenue  
Washington, D.C. 20500

Dear President Bush:

The enclosed articles are self-explanatory.

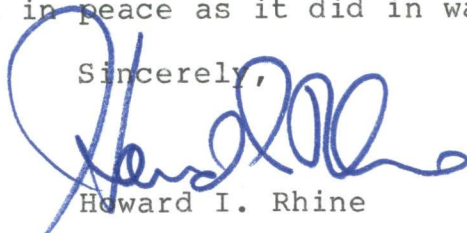
Before anyone can talk substantively, an atmosphere for discussion must be created.

No one sets out as a condition precedent what their ultimate offer will be.

Asking the Arab States to create an atmosphere for discussion is clearly appropriate and requires very little of substance.

The end of the boycott is just such a minor, but significant, gesture. Lets hope that our Government retains the same high principled approach in peace as it did in war.

Sincerely,



Howard I. Rhine

01031

K. J. [unclear]

S. [unclear]

THE WHITE HOUSE

WASHINGTON

ORM OPTICAL DISK NETWORK

ID# 233683

\_\_\_\_\_ Hardcopy pages are in poor condition (too light or too dark)

\_\_\_\_\_ Remainder of case not scanned.

\_\_\_\_\_ Oversize attachment not scanned.

\_\_\_\_\_ Report not scanned.

\_\_\_\_\_ Enclosure(s) not scanned.

\_\_\_\_\_ Proclamation not scanned.

\_\_\_\_\_ Incoming letters(s) not scanned.

\_\_\_\_\_ Proposal not scanned.

\_\_\_\_\_ Statement not scanned.

\_\_\_\_\_ Duplicate letters attached - not scanned.

\_\_\_\_\_ Only table of contents scanned.

\_\_\_\_\_ No incoming letter attached.

\_\_\_\_\_ Only tracking sheet scanned.

\_\_\_\_\_ Photo(s) not scanned.

\_\_\_\_\_ Bill not scanned.

Comments:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

N.Y. Times  
3/8/91

# Break the Boycott

**T**he high-level emergency meeting of the Arab nations was held in private, in Damascus. It was called to deal with just one subject: the economic strangulation of Israel.

Representatives of Iraq and Kuwait were at the table, eagerly taking part. That was in July of 1990.

A couple of weeks later, the Iraqis gave the Kuwaitis something else to think about. Saddam Hussein taught them that their real enemy was not the distant Jewish nation but the Muslim neighbor next-door.

Now the very viciousness of the destruction of Kuwait gives its people and its Government the chance to bring peace an important step closer — by turning away from that meeting in Damascus and what it means.

A little history. In 1948 the Arab nations imposed a boycott and embargo against Israel. Any company in the world that trades with Israel or makes any investment in the country is forbidden to do any business with any Arab state — no oil deals, no investments, no exports or imports, no construction contracts, nothing.

The embargo has been a shackle on the Israeli economy. For foreign investors it meant lost opportunities. But for the Arab governments it is a fine way of controlling businesses around the world, including huge multinational corporations. And not incidentally, it gives the Arab states extra clout with trade-hungry governments — Germany and Japan among many others.

The Damascus meeting was held at the request of the Palestine Liberation Organization to expand the boycott to any company that helps Soviet Jews settle in Israel. That would mean transportation, housing construction, insurance, hotel space, anything.

A half-year later, Kuwait is burning. It will cost at least \$50 billion to reconstruct the country — money Kuwait will draw from its enormous foreign holdings.

Will Kuwait continue the boycott and prevent companies doing business with Israel from getting reconstruction contracts?

Under U.S. law, American companies cannot tell the Arabs whether they do business with Israel. Now and then the Arabs decide that a particular American company is too important to them to blacklist even if it does business with Israel — like weapons manufacturers or communications giants.

But most companies don't take chances. In the United States and the rest of the world an astounding number of companies have decided they are not interested in profitable business — Israeli business. The Jap-

nese have shown a particular aversion and Japan Air Lines can't seem to find Israel on the map.

The embargo became more powerful with the growth of multinational companies. Some of these huge multinationals specialize in the massive kind of construction Kuwait will need. They parcel out work to hundreds of smaller companies. Those known to do business with Israel don't get sub-contracts.

It will not be enough for the Kuwaitis to remain silent or allow a few companies that do have some business with Israel to take part in the rebuilding. Without a clear statement, business will assume the boycott continues, just as if the Persian Gulf war never happened.

American companies that do business with Israel stand to lose billions in Kuwaiti contracts. For their employees, that will be more emotional a matter than the Kuwaiti kisses planted on American soldiers.

Contracts are not nearly as important as the Kuwaiti opportunity to take one step toward Mideast conciliation. A couple of days ago I asked the

---

## A chance for Bush and Kuwait.

---

Kuwaiti Embassy in Washington what Kuwait intended to do, and await a reply.

I am not brimming over with optimism. The Kuwaiti Government has shown a taste for particular nastiness about Israel. But then I think — Saddam Hussein and the P.L.O. opened a lot of Kuwaiti minds. Maybe they also opened some Kuwaiti hearts to the truth about friends and enemies.

President Bush talked to Congress about the Arab-Israeli conflict, and the Palestinians. Immediately his words were interpreted as a threat to Israel. But it is better to wait, think and talk before pronouncing.

In any case, Mr. Bush knows no settlement can be imposed. Even Störmin' Norman can't help here. And he knows that nothing at all will move until the Arab states take a step that will cost them not a soldier, not a drop of oil, not an inch of land: ending the state of war with Israel.

Right now, the U.S., liberator of the Kuwaitis, has both the right and duty to ask them to do their part by turning the boycott, an act and weapon of war, into scrap.

ON MY MIND | A. M. Rosenthal

# How to Lose the Peace

Only yesterday, the United States showed how swiftly it could win a war in the Middle East. Now the United States is showing how swiftly it might lose a peace in the Middle East.

Our defeated enemy remains in power, still slaughtering his countrymen. Our Arab allies refuse to take the one simple essential step toward Mideast peace.

How did we manage to get to this point? There's an answer, but first consider three cases.

1. Saddam Hussein. The United States, surely to his astonishment, allows him to use his remaining weapons to destroy his enemies in Iraq. He is permitted to move helicopters and tanks around the country to shell down the rebellion.

While there's time, Washington should issue standstill orders for all Saddam Hussein's helicopters and tanks, under pain of aerial destruction. That would at least give the fragmented opposition a chance to survive.

As long as the man who brought about war is still in power, the peace will not be secure. President Bush knows this. But officially the White House sticks to the nonsense that Iraq's internal affairs are not our business. It was precisely Iraq's most intimate internal affair — the character of its Government — that forced us into war.

After Saddam may come a government as bad. Maybe not, if we help the non-fanatics among the opposition. But, in decency, he must not be allowed to linger in power, distributing death. Would the world have permitted Hitler to carry on in Berlin because of the chance of a period of German chaos without him?

2. Syria. While hoping one Mideast dictator disappears, the U.S. abets the buildup of another.

Find the difference between Hafez al-Assad of Syria and Saddam Hussein of Iraq, try. In the torture, murder and gassing of their own citizens, in aggression against smaller neighbors, the stockpiling of chemical and bacteriological weapons, in dreams of empire, and terrorism against the West — just try.

For lending his mouth and a few thousand troops to the war against his own Arab enemy, the Syrian receives billions from other Arabs, Europe and Japan. He spends it as fast as he can on more weapons.

One day an American President, maybe Mr. Bush himself, will stare at this man and ask himself, in a sudden flash of clarifying horror, What have I wrought?

3. Allies. News story: Arab rulers agree to part of the Bush-Baker

"peace plan." Turns out that it is the part that permits the U.S. to keep enough force in the Persian Gulf to save their necks, again.

Thanks. But peace-producing parts of the plan, an end by the Arabs of their 43-year state of war with Israel and direct Arab-Israeli talks, these get the same old three-word answer: No, no, no.

How could all this happen? Answer: For decades the U.S. and other Western powers have misunderstood or ignored the nature of the Arab governments — deliberately.

In almost every way — in foreign aggression, domestic terrorism, persecution of minorities and women, control of the economy, the spread of religious bigotry, elimination of personal, political or intellectual freedom — Arab governments rule under a self-perpetuating system of tyranny that can best be described as Arab fascism.

If such governments reigned in Europe, they would be exposed and de-

## Saddam, Assad and other fascists.

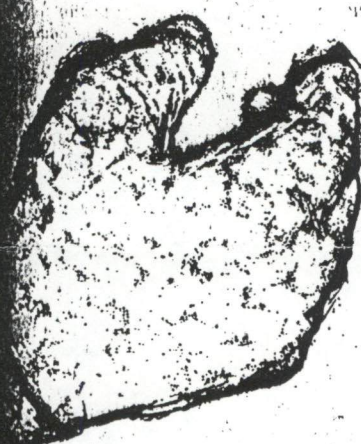
tested. But in the Mideast, the West accepted and strengthened these governments, first out of lust for their land, then for their oil. Out of this grew the self-justifying Western accepted wisdom that freedom, democracy, political choice are outside Arab comprehension or ability.

Western Arabist diplomats prattle about Arab traditions of clan and sheik. But this simply prettifies their belief that alone among people, Arabs cannot achieve democracy, a belief essentially contemptuous and contemptible.

So the U.S. finds itself with allies it strengthened, but which by their essence hate what it should stand for — political and economic freedom.

The refusal to understand or openly discuss the reality of the Arab governments led the West to appeasement of Saddam Hussein and then to war, appeasement's child. It now leads the West to support his brothers, in tyranny, and call them brother.

Perhaps one day the President strong enough to finally see the truth about Saddam Hussein will be brave enough to see the truth about the rest of the Middle East and speak it. That would be his great gift to the chances of peace, and to the Arab people. □



## the Act

former U.C.L.A. and Los Angeles Lakers basketball star, now a prominent businessman, was handcuffed by Los Angeles police officers after having been stopped on Wilshire Boulevard because, the department said, a light over his license plate was

While a police spokesman did not want to say that Mr. Wilkes fit the profile of a robbery suspect, the spokesman did say that "officers traditionally use minor violations in areas of high crime to provide a legal basis for making further inquiries." One of the city's busiest streets? 3:30 P.M.? Handcuffing one of our recognizable citizens?

Not surprisingly, reaction to the incident has been swift and widespread. Mayor Tom Bradley condemned the contents of the videotape "locking and outrageous." The S.I. and District Attorney promised speedy and thorough investigations. Chief Gates, under intense community pressure, announced that the Police Department supported filing criminal charges against the officers who assaulted Mr. King. The three officers have been suspended.

Can anyone who has seen the videotape or read about the Wilkes incident wonder what happens to residents of Los Angeles and other cities like Dallas and New York who are not famous athletes and not "lucky" enough to have their encounters with renegade police officers recorded? □