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THE WHITE HOUSE
WASHINGTON

April 9, 1992

NOTE FOR BOBBIE KILBERG

Attached is a copy of the
letter to George Klein for
your personal review only.



Phillip D. Brady



THE PRESIDENT

3-19

Richard

Your draft was perfect
sensitive and principled.

I mailed the attached
(hold close) today — (2 sentences
added) — May thanks. *Gib*

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable Richard N. Haass
Special Assistant to the President
and Senior Director for Near
East and South Asian Affairs

(By Hand)

Mr. George Klein
499 Park Avenue
New York, New York 10022

Blind cc: (FYI)
Brent Scowcroft
Richard Haass

Jim Baker (EYES
ONLY)

done 3/19
RAW (12)

George Klein
&
Richard Haass

THE WHITE HOUSE
WASHINGTON

March 19, 1992

Dear George:

I have now had the chance to read your letter with the care it deserves. I want you to know that I appreciate your sending it to me; one should never assume that Presidents get the benefit of what people are truly thinking. What you have to say pains me, but I thank you for being a true friend and saying it.

I, too, am anguished over the loan guarantee issue. Having helped bring about the massive immigration, I would like nothing more than to help see it through, but Israeli settlement activity leaves me little choice. I could not alter long-standing U.S. policy and still be a force for peace. We say that settlements are an obstacle to peace, and they are. I do not exaggerate when I tell you that more than anything else Israel is saying or doing, settlements are undermining those forces in the Arab world that at long last are ready to reach out and live in peace with Israel.

Some people here and in Israel suggest that the loan guarantees are solely humanitarian and that we ought not to make them political. But I would argue that it is the settlements that have made this issue political and that in any event peace is also a humanitarian goal. The new immigrants and indeed all Israelis deserve and need peace -- real peace along the lines I described in Madrid -- if Israel and its people are to thrive. What makes this all so critical is the fact that we finally have a peace process worthy of the name. Nothing should be allowed to jeopardize its prospects; and let me add that we do now have a peace process that was put together in very large part on Israel's terms. For over 40

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years Israel has wanted to sit in face-to-face negotiations with its Arab neighbors. We have produced just that. The Arabs know full well that we cannot and will not impose our preferences on Israel. Nor will we link aid vital to Israel's security to policy questions. Our fundamental commitment to Israel is just that -- fundamental. Please know this, for it comes from the heart as well as the head.

I hope the guarantee question can still be worked out. I recently proposed a compromise that would enable Israel to receive the full \$10 billion. The only part reported in the press was \$300 million up front. This proposal was rejected by certain key senators. I still would like this matter resolved. Quite frankly, it will depend upon the priorities of those in Israel's government. But whatever happens, it is essential that this issue not be allowed to weaken, much less cast doubt upon, the core relationship between the United States and Israel. No one should permit disagreement over this or some other policy to affect the foundation of a relationship that has served both countries well for nearly half a century. I for one will do my part to make sure it does not.

George, it is in all candor that I tell you I write this response to your letter with more than a little frustration. I know there is a tendency to add up all the areas where we and Israel have disagreed over the past three years and assume that it represents a trend and a departure from the past. I do not want to raise up all the disputes from previous decades, although I would point out that the past was not always quite the golden age that some remember it to be. Rather, I would prefer to remind people of what we did on Ethiopian and Soviet Jewry, on repealing Zionism is Racism, on defeating aggression during the Gulf

War, on convening Madrid and Moscow and the bilateral and multilateral talks to follow. My guess is that historians will look at today's controversy and wonder what much of the fuss was about. There have been and are important differences between our two countries, but no less important are the many examples of cooperation. With so much at stake, we cannot afford to lose perspective.

I have come to believe that the measure of a good relationship is not the ability to agree, but rather the ability to disagree on specifics without placing fundamentals at risk. We do this all the time with Britain; we should manage to do it with Israel. Without assigning responsibility or blame, let me simply say that I am certain that we in the Administration can and need to do better at making this relationship succeed. I will do all that I can to see that the current strains do not grow worse but to the contrary are put behind us, so we can begin to restore with Israel the sort of relationship that you and I both seek.

Thank you again for writing. As always, I appreciate your counsel and value our friendship.

Sincerely,

A handwritten signature in dark ink, appearing to be 'GK' with a long, sweeping diagonal stroke extending from the bottom right.

Mr. George Klein
499 Park Avenue
New York, New York 10022

P.S. If you want to chat after you digest this letter, please give me a call. Rose Zamaria will be sure I get it.

George Klein

March 16, 1992

The Honorable George W. Bush
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

I am writing this letter with a heavy heart. I have had the privilege of working closely with you for many years and I consider myself a personal friend of yours and of your entire family.

I am proud of our friendship and that I could always be open and honest with you in our many discussions. I've been your ardent supporter and have always acted correctly in maintaining our conversations in a confidential manner.

As you know, for the past twenty years I've been involved and active in the Republican Party and for the last few years I served as Co-Chairman of the National Jewish Coalition. In that position, I worked closely with your staff and with Republican members of the Senate, the House and the Republican National Committee.

Last month, the Coalition asked me to serve as National Chairman and I accepted this responsibility for I believed I could be useful to you, our country and the Jewish community. As you will recall, I've applauded the numerous accomplishments that you have achieved for our country in the domestic area and especially relating to your foreign policy. More specifically, your success with the Soviet Union, your heroic achievement in the Gulf War and your support of Israel and Soviet and Ethiopian Jewry.

You will also remember the times that, privately, I could not agree with some of your specific policies regarding our relationship with our ally, Israel. These included your policy regarding settling East Jerusalem, our one-sided votes of condemnation of Israel in the United Nations and, most recently, your policy regarding the linkage of loan guarantees with the question of settlements.

I know that reasonable men can differ on policy but now a line has been crossed that is of such a fundamental nature that your policy of support of Israel is now being seriously questioned by our community.

I know of your lifelong deep and moral commitment to Israel as a strong and viable ally and as a haven for oppressed Jews. Your record of assisting Soviet Jews to emigrate to Israel and your personal intervention on behalf of rescuing Ethiopian Jewry is outstanding. But, I am now afraid that the concept of linking our humanitarian aid to Israeli settlement policies could weaken our relationship and our commitment to Israel. I feel personally misled in that key members of your administration have assured me on a number of occasions that there would not be linkage of our humanitarian aid to Israel.

This concept of linking humanitarian aid to Israeli defensive or political policies establishes a dangerous precedent that potentially has no end. Not only will it encourage the Palestinians and the Arab states to rely upon the United States to pressure Israel instead of negotiating with them in good faith, but it may isolate Israel in the world arena and delegitimize its sovereignty as an independent nation and strong ally of the United States. I am afraid we are losing our role as an honest broker in these important peace negotiations.

I am deeply disturbed by events of the past few months and by a perceived major shift in your policy towards Israel that I must question whether your commitment has changed in your strong support of Israel. I pray that my concerns and fears are unfounded and I hope you will give me the opportunity to share my thoughts with you personally.

With kindest regards,

Sincerely yours,



George Klein