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ID# 283602

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

F0009

DATE RECEIVED: NOVEMBER 04, 1991

NAME OF CORRESPONDENT: DR. BENO STERNLIGHT

SUBJECT: ON THE MIDDLE EAST PEACE PROCESS, THE U.S.
SHOULD EMPHASIZE A BILATERAL PEACE AGREEMENT
BETWEEN ISRAEL AND SAUDI ARABIA

		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	91/11/04	JS	A 91/11/12
99	REFERRAL NOTE: DEPARTMENT OF STATE		91/11/18		C 1/1
	REFERRAL NOTE:				
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	REFERRAL NOTE:				

COMMENTS:

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: _____

CS 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			*

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LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS
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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Letter	John Sununu to Dr. Beno Sternlicht Address Redacted (1 pp.)	11/12/91	(b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Records Management, White House Office of (WHORM)
Series: Subject File - General
Subseries: Scanned
WHORM Cat.: FO009
File Location: Case No. 283602

Date Closed:	2/12/2008	OA/ID Number:	00002-001
FOIA/SYS Case #:	2003-0260-F	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
(b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
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(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

THE WHITE HOUSE
WASHINGTON

November 12, 1991

Dear Dr. Sternlicht,
Thank you for your recent letter.
I appreciate your taking the time to write.

Sincerely,

John H. Sununu
Chief of Staff

Dr. Beno Sternlicht



(b)(4)

bcc: Department of State with copy of incoming (FYI)

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Letter	Dr. Beno Sternlicht to John Sununu Address Redacted (1 pp.)	10/30/91	(b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Records Management, White House Office of (WHORM)
Series: Subject File - General
Subseries: Scanned
WHORM Cat.: FO009
File Location: Case No. 283602

Date Closed: 2/12/2008	OA/ID Number: 00002-001
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P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

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283602

Dr. and Mrs. Beno Sternlicht



(b)(6)

October 30, 1991

JHS-6F

Dr. John H. Sununu
Chief of Staff
The White House
Washington, D.C. 20500

Dear John:

In the peace process, there seems to be very little emphasis on a bilateral peace agreement between Israel and Saudi Arabia. Yet, this is the key to peace in the Middle East. Both countries have a lot to gain from such a relationship. Furthermore, USA can play a key role in orchestrating this.

The attached letter to the editor addresses "this issue and points out that unless this relationship is established we will not have lasting peace in that region of the world, and the industrialized nations with USA as the leader will be highly vulnerable.

I sincerely hope that we will reassess our priorities in that region of the world and not propose a patch up solution which at best will be only temporary and likely to be counter productive in the long range.

If you agree with this position, I hope that you will do everything in your power to advocate it.

Yours sincerely,

Beno Sternlicht

Enclosure

Letter to the Editor
By Dr. Beno Sternlicht*

The "Energy Revolution" and the New World Order.

We are living in an era which I have defined as the "Energy Revolution". It is earmarked by a transition from exhaustible (finite) natural resources eg. fossil fuels, to inexhaustible (renewable) resources eg. solar, fast breeder, fusion etc. Today the inexhaustible energy resources contribute only 5% of the world total. Thus, shortages of fossil fuels caused by wars and acts of terrorism can cause major economic upheaval in industrialized parts of this world. To eliminate this problem we need to maintain world order and rapidly increase the percentage of inexhaustible energy availability. This requires innovation, new technologies, enterperenourship and a climate which is conducive to change and risk taking.

The "Energy Revolution" has been precipitated by many of the benefits which the developed parts of the world have gained from the "Industrial Revolution". These include: higher productivity, replacement of hand and animal labor by power driven machinery and, in general, a much higher standard of living. The developing parts of the world (Third World) are now also becoming industrialized. While today their per capita fuel consumption is only 1/12 that of the developed parts of the world, their population is 2.5 times higher; within a decade, their per capita fuel consumption is expected to be 1/3 with a population of 3.3 times that of the industialized countries. Thus, the world energy needs will increase at a much faster rate as the Third World countries become industrialized.

Reviewing some of the technological developments of the past three centuries we can make some predictions into the future. The eighteenth and nineteenth century can be categorized as the birth of the petrochemical and electrical industry and power driven machinery. The twentieth century can be called the age of transportation and communication. Together they make up a large part of the Industrial Revolution which has created very large demands for petroleum. The twenty first century will significantly increase the generation of inexhaustible energy resources, make us more conscious of our environment and lessen our dependence on fossil fuels.

The historic development of oil "black gold" as it was called, has provided us with the road map and insight of where we've been and where we're going. It helps us to set objectives for the New World Order. The oil industry brought with it a very turbulent era. The rise of enterprenours such as Rockefeller and Mellon (USA) Rothschild (France), Nobel (Russia) and Samuel (England); dictators such as Hitler and Saddam Hussein; development and demise of cities such as Titusville, Baku and

Beaumont and the ghost town of Pithole; establishment of giant corporations such as Standard Oil, Royal Dutch, Shell Gulf Oil and others. Between 1861 and the end of the civil war in 1865 the price of a barrel of oil fluctuated between 10 cents and \$13.75. In 1901, oil prices slumped to 3 cents a barrel. Oil became the world's biggest and most pervasive business. It represented the development of capitalism and modern business. While its early application was the kerosine lamp or the "new light" as it was called, the major demand for oil came in 1905 from the automobile; followed by all other modes of transportation on land, sea and air.

Even before World War II, Germany recognized the limited availability of oil and therefore undertook an extensive development of synthetic fuels. In 1944, 55% of Germany's fuel was synthetic. Petroleum was central to the course and outcome of World War II, both in Europe and the Far East. Hitler wanted to get oil fields in Caucasus and Rommel's army moved to occupy the Middle East while Japan wanted to get the petroleum of the East Indies. Dating back to the days of the Czar, Russia's ambition was to dominate the Persian Gulf. It's military and economic involvement in the Middle East, support of dictators and invasion of Afghanistan were all part of their desire to control the oil rich region of the Persian Gulf.

At the end of World War II, USA produced approximately 4.7 million barrels/day or 66% of the World's petroleum production. While our output since that time has increased to about 7 million barrels/day, we produce only 11%, while OPEC produces about 41% of the World's total (60 million barrels/day). With only 5% of the world's population we use about 33% of the world's cars that use petroleum. Our consumption has far exceeded our supply, thus today we import about the same amount as we produce. This makes our economy highly vulnerable to oil price fluctuations and balance of trade.

Whereas oil prices between 1870 and 1970 were generally stable around \$2/barrel, prices escalated to \$35/barrel in 1980 and 1990. The past three decades have been especially turbulent. In 1960 the formation of OPEC, the downfall of the Shah of Iran, oil disruptions, the Iraq-Iran war, the invasion of Kuwait, are a few examples.

The Industrialized World was very fortunate during the Kuwait crisis, to have the leadership of President Bush, who understands the importance of oil supplies and oil price stability. It was even more fortunate that the cold war has ended and that Russia is no longer a threat. In fact, Russia with its very large oil reserves will present a very significant business opportunity to the Industrialized World. Oil and gas will represent a very important commodity that they can use for trade with Europe, Japan, and the USA in exchange for goods that they need.

The New World Order hinges on:

- * Global Energy and Environmental Policy
- * Economic Development
- * Establishment of Climate which is conducive to invention, innovation and enterprenouship.
- * Education oriented to development and coexistence
- * Protection of National Borders and Human Rights.
- * Elimination of Terrorism

During this turbulent transitional period the cornerstone of our Energy Policy must be Conservation which encompasses efficient conversion, utilization and substitution. Parallel with this must be development of cost effective inexhaustible energy resources and end use products. This of course could revitalize our manufacturing industry. The recent Oil Minister of Saudi Arabia, Sheikh Yamani was a very strong advocate of conservation and development of solar energy. Today, we need leaders like him, enterprenours like Rockefeller, and government incentives to rekindle development of new energy sources, and new products to meet human needs in environmentally acceptable ways. Our objective must be ENERGY INDEPENDENCE.

In the early nineteenth century no one could have predicted the development of the petrochemical, electrical, automotive, or the aerospace industries. With incentive and proper climate it is not difficult for us to envision a variety of inexhaustible energy sources, highway transportation using primarily electrical vehicles, space electric propultion, high speed super conductive trains, nuclear powered planes and so on.

The new World Order led by the industrialized nations must insure economic stability and promote development. In this regard, it must eliminate large increases in oil prices, precipitated by wars in oil rich regions of the world, acts of terrorism such as setting oil wells on fire. Our enemies today are terrorists and irrational dictators. Thus, once again our industrial economy is vulnerable.

In the case of the Middle East, we must insure lasting peace. Bilateral peace agreement and business relationship between Israel and Saudi Arabia is probably the most important single step in promoting peace in the Middle East. Such a move will help to eliminate dictators, terrorists, and extremeists. The USA must play a key role in orchestrating this relationship. Thus, Israel with its democracy is pivotal in insuring that the Industrialized World interests are protected. Earlier its role was to insure that Russia would not control the Middle East and the Persian Gulf. Next, it had to destroy and setback the destructive nuclear power of Saddam Hussein. Now we must help it to act as a catalyst in development and stabilization of this region. While Iraq today is no longer a threat, it is very easy to envision a number of

scenarios that could once again destabilize that region and negatively effect world oil prices.

Since its' independence, Israel has always been a democracy and an ally of the Western World. It has protected and supported the interest of the USA and has been its true ally. In giving up Sinai, it has clearly demonstrated that it is willing to give up land for peace. It has set an example for development of agriculture and high technology industry. It will play a key role in the industrialization of the Middle East. Their freedom and peace are fundamental to the stability of that region.

History has taught us that the best insurance for peace is prosperity. In our quest for peace in the Middle East we must look long range, and establish conditions that are conducive to prosperity. The occupied territories must be developed and settled by both Jews and Palestinians. Creation of new borders and new states, restriction of trade are factors condusive to unrest and they lead to conflicts and wars. They are obstacles to peace.