

arms sales to the Shah. A key figure was Jacob Nimrodi, the former Israeli military attaché in Teheran under the Shah. An Israeli couple, Andre and Jamie Frydel, have also been cited as major suppliers to Iran, working through their key contact in the Israeli defense ministry, Zvi Reuter, and front companies in Liberia and the Caribbean.

U.S. cover-up

The U.S. side of this network developed as a product of the Carter administration's support for the Islamic fundamentalist coup which overthrew the Shah in 1979. Based in Cyrus Vance's State Department, Zbigniew Brzezinski's National Security Council, and in sections of Admiral Turner's CIA, these pro-Khomeini Carterites were fully committed to support for the Islamic fundamentalist upsurge being created by British intelligence circles. Brzezinski justified such support as creating a "bulwark against communism"—a pitiful contention, in light of the growing Soviet hegemony over the Middle East, while the United States has been all but driven out.

Cyrus Hashemi was the key U.S. figure in supplying arms for the Khomeini insurgency. His controller in the U.S. was Stanley Pottinger, who, according to some sources, channeled nearly \$4.5 million through Hashemi and his brother Reza. When war broke out between Iran and Iraq in September 1980, Pottinger picked up the thread again, advising the Hashemis on how to use dummy corporations in Panama and elsewhere to ship badly needed spare parts and military equipment to Iran.

The Hashemis and Pottinger quickly came under investigation, including FBI electronic surveillance, in late 1980. The FBI's role in asserting jurisdiction over the investigation was for purposes of squeezing out other agencies and keeping lid on. Federal grand juries were examining the Hashemi brothers, Andre and Jamie Frydel, and their string of front companies from 1980 on, but it was not until 1984 that indictments were finally issued—at the initiation of the Customs Bureau, not the FBI. The FBI then "lost" the tapes on which Pottinger had been overheard, preventing his indictment.

Not only arms smuggling, but drug-smuggling and murder have been the hallmarks of this operation.

George Perry, a U.S. businessman linked to this network, was the middleman between his Brazilian gun-running employer, "Still, Inc." and Sadeqh Tabatabai. Another Still official, Milan Jedlicka, was convicted of cocaine smuggling in New York in the summer of 1982 along with one John Henehan. Henehan, suspected of being an informant, was soon thereafter murdered with bullets through the eyes; two weeks later, the prime suspect in Henehan's murder was also killed. In January 1983, Tabatabai was arrested for drug smuggling in Dusseldorf; a few days later, Perry disappeared from his New York hotel room, to be fished out of a lake north of New York City three months later. Sources in Europe linked Tabatabai to the killing.

Casablanca summit:

by Thierry Lalevée

The failure of Saudi Arabia's King Fahd to attend the Arab Summit in Casablanca on Aug. 7, was the death knell of the conference, even before it started. As later came out, Fahd had agreed to this extraordinary summit called by King Hassan of Morocco, but canceled his trip after a long telephone conversation with Syria's Hafez al Assad on Aug. 5. Instead, he decided to be represented by Saudi Crown Prince Abdullah, who was in Casablanca on holiday, and is known as the leader of the "pro-Syrian" party in Saudi Arabia, if only for his close marital ties to the Assads.

The conference's failure will have widespread consequences, many of which are not expected by those countries which, for varying reasons, decided either not to attend at all, or to send low-level delegations. The only heads of state present were Jordan's King Hussein, PLO chairman Yasser Arafat, the Emirates' Sheikh Zayyed, and Morocco's King Hassan.

Hassan had called for the summit in June to review the Lebanese/Palestinian situation. In mid-July the project was resurrected, and chances of success seemed good. Most Arab countries not directly associated with Syria agreed to support it, and agreed that the Jordan-Palestinian peace initiative should be the main agenda item.

Then Iraq's Saddam Hussein decided that the Gulf war was too preoccupying for him to leave Baghdad; Kuwait's Sheikh Jaber thought that the last three terrorist operations of the Iranian "al Jihad al Islami" didn't allow him to leave his emirate; Tunisia would be represented only by a high-level ministerial delegation, and was visibly displeased that Morocco had taken such an initiative without consulting it; so was the Arab League delegation of Chadli Klibi. Algeria, meanwhile, decided that the tension between Rabat and Algiers prohibited its President from meeting with King Hassan, and warned that the summit might "deepen Palestinian disunity."

The Syrian boycott was no surprise. Syrian President Assad declared that he saw "nothing which requires discussion within the framework of an Arab summit." Syria's satrap, Lebanon, was ordered to stay home; and South Yemen, facing a leadership crisis, has no desire to antagonize Damascus and Moscow right now. Libya, bound by a "Treaty of Unity" with Morocco, sent a pro-forma delegation to the foreign ministers meeting on Aug. 5. Avoiding the issue of

a Syrian victory

the peace initiative, in which Libya might clash with its "unity" partner, Morocco, the Libyans instead attacked Jordan for having broken the 1979 Baghdad resolution on the boycott of Egypt, and then used this as a pretext to storm out when they were isolated in the foreign ministers council. That set the tone, and the Moroccan foreign minister decided to focus his speech on the 1982 Fez Resolution voted up at the last Arab summit!

Morocco, Jordan, and the PLO had wanted the summit to be a show of moderation and strength against Syria and its allies. Morocco, whose relations with Washington have been strained since last summer, when it signed its treaty with Libya, clearly wanted to use the conference to demonstrate to the United States that it could still represent and deliver moderate Arab countries, despite its unholy alliance with Qaddafi. Perhaps other Arab leaders decided not to do Morocco this favor. This certainly applies to Algeria.

However, such petty politics should not have clouded over the basic fact that a major Arab peace initiative was needed now, and not in November when the "regular" Arab summit is to convene in Riyadh—if it does. Whatever the Arab leaders intended, they have voted with their feet, and not for the first time. The Jordan-Palestinian peace initiative is *not* their major concern right now, and they are not prepared to fight for its realization.

'New Yalta' means balkanization

In so deciding, they have underestimated what Syria and Israel are doing, and refused to acknowledge the most precise warning ever given by Yasser Arafat.

According to the July 25 issue of Cairo's *Al Ahram*, Arafat warned that "unless a minimum of Arab solidarity and Arab agreement is reached [on the peace initiative], there will no place for the Arab in the new Yalta!" He elaborated: Such a "new Yalta, means the balkanization of the Middle East, and the partition of Lebanon between Israel and Syria." He reported that the Middle East part of this new Yalta was discussed last February between the U.S. State Department's Richard Murphy and Vladimir Polyakov of the Soviet foreign ministry, then between Gromyko and Shultz, and is expected to be finalized at the November Reagan/Gorbachov meeting.

Although many may think that a direct deal with Moscow will give them a privileged niche in the new Yalta frame-

work, the failure of Casablanca proved that Moscow doesn't need them; Syria is the region's Arab master, and can dispose of them at will. This has opened many countries, including Saudi Arabia, to Syrian blackmail.

Indeed, while Arab leaders were considering whether or not to go to Morocco to talk about Lebanon, Syria was moving ahead with its annexation of Lebanon. From Aug. 5 to Aug. 7, Damascus sponsored a "Muslim/Christian reconciliation" in Chtaura which gathered Lebanese Druze leader Walid Jumblatt, Nabih Berri (the Shi'ite leader of the Amal militia and controller of the recent TWA hostage taking incident), and pro-Syrian Christian leader Suleyman Franjeh. Concluding with the creation of a new "national front," they immediately called for the resignation of President Amin Gemayel, a step which may be only weeks away and will pave the way for a constitutional change in which Lebanon's next President may not be a Christian.

Israel-Syria alliance

A few days earlier, Syrian Foreign Minister al Sharah warned that whoever attended Casablanca would be considered a "traitor. The Arab Nation knows how to deal with traitors!" This death threat against primarily Hussein, Arafat, and Hassan, is to be taken seriously: Israel's operational capabilities are now on Damascus's side.

A striking example was given on Aug. 5 when, after a clash in southern Lebanon between the Israeli army and the Shi'ite Amal militia, an Israeli spokesman made a point of stressing that the fighting was "an exception," as Amal policy is not now to attack Israeli forces. The spokesman, quoted on Radio Jerusalem, stated that the clash had happened "by accident." He seemed on the verge of blaming the Israeli soldiers for provoking the Shi'ites into killing them!

Indeed: By agreement with the Israeli Mossad and Syrian intelligence, the Amal is now too busy attacking the Palestinians of Yasser Arafat to clash with Israelis.

Whatever reservations Israel's weak Prime Minister Shimon Peres might have, Jordan and the PLO headquarters in Amman have become Israel's main military target. Calls by Minister of Trade and Industry Ariel Sharon for preemptive military action against PLO bases in Jordan, have been supported by Foreign Minister Yitzhak Shamir, as well as by Kissinger's best friend in Israel, Defense Minister Yitzhak Rabin. The July 28 cabinet meeting saw a bitter clash between Sharon and Peres. After Sharon apologized, Shamir picked up Sharon's argument against Peres! Backing up Shamir and Sharon's argument, was a press campaign, linking violence on the West Bank to the fact that all West Bank political leaders are known "to have visited Amman, to meet with Arafat and his number-two Khalil al Wazir (Abu Jihad)."

Also at stake is Israel's democratic future. The star of Ariel Sharon is rising fast again, and an Israel led by him, and a consolidated Assad regime in Damascus, could be the price the Arabs pay for the Casablanca failure.