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# 'As Espionage, Profit Meet

Fourth of a six-part series

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BEIRUT—Farouk Jaber counts among his friends a former American secretary of the treasury, a shadowy but rich Libyan sales tycoon who was spirited out of Libya on a U. S. Air

## the Arab Money Men

Force plane during the 1959 coup, and the former head of Central Intelligence Agency operations in Saudi Arabia.

But Jaber, who acknowledges that personal relations are a key to doing business in the Arab world, stresses that he has done business with none of the above. He denies that he knew that the CIA man was anything other than the diplomat he posed as.

"As a businessman, you meet many diplomats and other kinds of people," said Jaber, a diminutive Lebanese consultant and sales representative who likes to wear American-style short-sleeve shirts to combat Beirut's oppressive summer heat. "This man was a good friend, that's all," he said, adding emphasis on the last two words.

Knowingly and not, Arab businessmen are increasingly meeting intelligence-gatherers. The emerging economic power of the Arab world and the new importance of oil and other raw materials is causing a basic change of emphasis in intelligence operations here, according to well-informed

STATs.

CIA and other intelligence agencies have long used commercial covers and relationships with local businesses, largely as a matter of convenience. Small travel agencies, management consultant firms and import-export businesses are among many shelters that have been developed in Beirut. Now intelligence penetration into the Middle East business world is becoming a necessity.

Growing national and private fortunes in the Middle East are financing ventures with long-term political impact that these agencies must assess. The specter of economic "strangulations" by oil embargoes and further price increases as described by U.S. Secretary of State Henry A. Kissinger, is a high-priority concern.

In the shadows that envelop both espionage and Middle East deal-making, each of which involves the expenditure of vast sums of money for purposes that often remain hidden, the point at which simple intelligence-gathering ends and deep penetration of policy making begins is deliberately left "fuzzy."

Where the cash ends up in these unique "joint ventures" is also carefully cloaked. But it is clear that some Arab officials and businessmen who have dealt with the CIA or have gathered around themselves the reputation for doing so have been the recipients of a number of financial windfalls in the soaring purchases of arms, sensitive communication equipment and even military personnel by the oil producers.

Suspicious of CIA connections to the frenetic wheeling and dealing of the newly rich Middle East add an explosive element to rising public concern about business practices and corruption.

The agency is the favorite target of Arab leftists, who would like to discredit and eventually bring down pro-Western Arab governments. Exposure of firm espionage-business connections would have an even greater impact in the political role of IIT in Chile in 1970. Despite this risk, the gathering of economic intelligence is a growth industry in this region. It is "the big new field," says Miles Copeland, a London-based author of books on the CIA.

Copeland admits to having been a consultant for the CIA in the Middle East and has been identified by many Arab newspapers as an agency operative.

"The U.S. government departments responsible for this work are being squeezed by the enormous demand for information and judgments and cannot keep up," Copeland said in a telephone interview.

Copeland began a management consulting firm in Beirut in 1957. "We just started early in the field." He said he left the firm after it was absorbed into a new company called Intersec to do similar work for Kermit (Kim) Roosevelt, a former CIA agent who mounted the coup that brought the shah of Iran back to his throne and who has in recent years been deeply involved in the sale of weapons to Middle East countries.

Copeland reported in detail a conversation he said he had with Robert B. Anderson on the setting up of Intersec, and American businessmen in Beirut who dealt with the company say they had the impression Anderson was associated with it.

Anderson was secretary of the treasury in the first Eisenhower administration. Entrusted with delicate political missions in the Middle East by Eisenhower and later by Lyndon B. Johnson, he has returned to the region frequently as a representative of American companies seeking business here. He has denied that he owned Intersec.

By chance, Farouk Jaber says, he and Anderson are friends. Moreover,

Jaber and his business partner, an influential Saudi Arabia-born banker and sales representative named Ghasan Shaker, were clients of Intersec, which was run by John M. McCrane, who now works for Anderson's New York company.

In what Jaber said was another extraordinary bit of coincidence, Shaker and McCrane recently were both listed as prospective shareholders in the Vinnell Corp. of California.

Vinnell broke into the headlines early this year after the company landed a \$77 million contract to send 1,000 former U.S. servicemen to train Saudi Arabia's national guard in infantry tactics, handling armored vehicles and firing missiles. One congressman, who asked not to be identified, immediately labeled the operation as "a CIA front," and controversy swirled briefly around Vinnell's "mercenaries."

The tangled chain of events that led a private American company into the most sensitive security unit in Saudi Arabia involves some of the key figures in the brokering of power in the Middle East.

How deeply it involves Shaker — a Cambridge University graduate in his early 40s, with a wide range of contacts at the highest levels in Saudi Arabia, Oman and Jordan—is in dispute.

The story begins in February 1972, when King Faisal prevailed upon his brother, Prince Abdullah, to bring American advisers in to reorganize, expand and train the 35,000-man Bedouin army that guards key government installations and Saudi Arabia's oil fields.

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