

Who's trying to kill the 'October Surprise' story?

by Edward Spannaus

As Congress prepares to vote to authorize probes of the "October Surprise" allegations, that the Reagan-Bush campaign conspired to delay the release of American hostages from Iran until after the 1980 elections, and as an authoritative new book on the subject has just hit the streets, a new round of attacks on the allegations has begun. Most prominent were major articles in *Newsweek*, entitled "Making of a Myth," which appeared Nov. 11, and the *New Republic*, entitled "The Conspiracy That Wasn't," which appeared in its Nov. 18 issue. The renewed attacks seemed particularly aimed at the publication of *The October Surprise* (Random House, New York) by Gary Sick, a former National Security Council official in the Carter administration who was deeply involved in the hostage crisis.

The articles gave rise to the usual round of interviews and television talk-show appearances, and were cited gleefully by backers of Presidents Reagan and Bush. Reagan's Attorney General Edwin Meese, for example, appearing along with Gary Sick on the Larry King Show on Nov. 12, gloated that the story "has been investigated extensively by two of the leading news magazines—liberal and leftist news magazines—who if they could skewer Ronald Reagan they certainly would. And *Newsweek* calls it 'myth,' and *New Republic* calls it 'total fabrication.' "

Friends of Israel

This is no simple Democrats-versus-Republicans fight, despite the efforts of many commentators to present it that way. There is a remarkable bipartisan effort to kill the October Surprise story. But there are a few things that all the prominent nay-sayers have in common. They are either backers of Bush, the CIA, and/or Israel. As one informed Washington source put it recently, the Bush/CIA crowd and the

pro-Israel *Washington Post-Newsweek* axis are both pulling out all the stops to kill the story. Add the American Israel Public Affairs Committee (AIPAC) mob, and the "neo-conservative" former liberals like the *New Republic* crowd, and you've got the line-up pretty complete. In fact, the *New Republic* article was particularly shameless in its reliance on secret information generously provided by Israeli and U.S. intelligence sources.

EIR warned our readers in our Oct. 25 issue exactly what to expect. We pointed out that a number of the most prominent alleged witnesses to the October Surprise story were being discredited, which "could prove to be a blessing for those determined to get at the real truth." We emphasized the "cloud of disinformation and false leads" which has obscured the October Surprise story, especially around the allegations that George Bush personally attended meetings in Paris in October 1980 to conclude the GOP deal to delay the release of the hostages. *EIR* identified two individuals—Richard Brenneke and Ari Ben-Menashe—as probable sources of the disinformation which is being used to try to discredit the entire October Surprise story. *Newsweek* and *New Republic* followed the script exactly.

So, readers of *EIR* were ahead of the game in knowing what was coming down the pike. But this wasn't the first time. In the course of documenting the origins of the October Surprise story, *Newsweek* was compelled to acknowledge that *Executive Intelligence Review* and *New Solidarity* newspaper were the first to publish the October Surprise story. *Newsweek* described *EIR*'s early coverage at length, including *EIR*'s charges that Henry Kissinger sabotaged efforts by the Carter administration to free the hostages before the November 1980 elections. *Newsweek* ran lengthy quotations from the 1980-83 articles, in which *EIR* had said that Carter's

failure to secure his own arms-for-hostages deal “resulted from an intervention in Teheran by pro-Reagan British intelligence circles and the Kissinger faction.” *Newsweek* also took pains to note Kissinger’s denial of *EIR*’s charges.

Jamshid Hashemi’s story

The bulk of the smear jobs by *Newsweek* and the *New Republic* was concerned with knocking down the strawmen created by Brenneke, Ben-Menashe, and Barbara Honigger—the author of a 1989 book on the October Surprise. This is no great feat. What is more crucial is the story told by Iranian arms dealer Jamshid Hashemi. Here the nay-sayers found themselves on much weaker ground. Jamshid Hashemi is the principal source for information on the meetings held in Madrid in July and August 1980 with William Casey, at which the deal to delay the hostage release was actually made. (Jamshid Hashemi was also a primary source for this author’s 1983 article, one of the early articles cited by *Newsweek*.)

Both *Newsweek* and *New Republic* go to great lengths to try to prove that Casey could not have been in Madrid during the time period cited. Both rely on the same evidence: Casey’s alleged attendance at the Anglo-American Conference on the Second World War in London over July 27-29, 1980. Attendance records from the conference are presented as the definitive evidence to discredit Hashemi’s story—and Casey’s involvement. But the records prove no such thing. Researcher Craig Unger has shown that the attendance records were a record of *expected* attendance, not actual attendance, and that the person who kept the records himself is not sure what the records mean.

In an interview on National Public Radio (NPR) on Nov. 12, author Gary Sick said that Casey was out of the country for four or five days in July 1980, but his whereabouts are only documented for three days—July 27-29. Sick said Casey may have left for London on Friday night, July 24, or July 25, but that the London meetings didn’t start until Monday, July 27. “To say that this is conclusive, that Casey could never have been in Madrid, is just wrong,” Sick said.

In recent interviews, Sick has concentrated on Jamshid Hashemi’s eyewitness account of the Madrid meetings as his most compelling evidence of an October Surprise conspiracy. On the Larry King Show on Nov. 11, Sick said: “The thing that has struck me most recently is the description about the Madrid meetings, which I hadn’t known about before. Everybody had always focused on Paris. . . . I’ve always thought that that was sort of secondary; it just doesn’t make any difference as far as I’m concerned. The question is whether a deal was done.” In the NPR interview, Sick reported, “I have found not a single piece of information that disconfirms anything he [Hashemi] told me so far.”

According to Sick, it was in Madrid where the deal was made. After describing the second Madrid meeting, Sick related the following:

“The next day Jamshid Hashemi, the man who told me this story in great detail, says that he met with his brother [Cyrus], with an Israeli official, and that they began a shipment of military equipment from Israel to Iran that amounted to at least four shiploads of equipment, that started from probably in about September 1980 and continued on through the end of the year. And that was the genesis of the deal.”

In the NPR interview, Sick stressed that the story is far more complex than is known so far. “All I have done is to just scrape off the covering of the top of the iceberg. There’s much, much more.” Although conceding that he is not optimistic about the congressional investigation, given Congress’s record on such matters in recent years, Sick emphasized the importance of an investigation with subpoena power, which can take depositions, get classified information out of the FBI, etc.

At the end of the interview, he was asked if there were one piece of information he could get, what would it be. Sick answered: “If there was one person I wanted to talk to, that probably would be Max Hugel, who was a real sidekick of Casey and was with him all the time . . . and he will not talk to anybody about anything.

“If there was one document I would want to get, it would be the documents relating to the surveillance of Cyrus Hashemi, which was imposed by the U.S. government. The Carter administration ordered it, and he was under total surveillance from Oct. 14, 1980 until the Reagan administration lifted the surveillance on Feb. 13, 1981. Those tapes and records of the surveillance have never been made public, and they are in the FBI files and I think they would be absolutely fascinating to listen to, and to read, and to know what they said.”

The Hashemi/Pottinger tapes

In his modest fashion, Sick has hit the nail right on the head. *EIR* has called for the release of the Hashemi tapes since 1984, when their existence first became known. At the time of the indictment of the Hashemi brothers in 1984, it was reported that former Nixon-Ford Justice Department official J. Stanley Pottinger had narrowly escaped indictment when the FBI “lost” the crucial tapes of the surveillance of Cyrus Hashemi’s offices. According to court papers, Pottinger was overheard on the tapes advising Cyrus Hashemi how to ship military equipment to Iran in violation of the U. S. arms embargo. And the time period of the tapes was precisely the period when the Reagan-Bush deal with the Iranians was being carried out.

Newly disclosed CIA documents obtained by *EIR* show that Pottinger was under investigation as late as September 1985. Still, he has never been indicted and his name has been strangely absent from most accounts of the October Surprise events. Could this have something to do with the fact that Pottinger has been a close friend of George Bush since the days when Bush was director of the CIA?