Chapter 9

Abdul Enterprises

Arab Petrodollars in the United States, 1974–1981

On an autumn afternoon in 1977, a dark-bearded man wearing a traditional Arab robe and headdress, accompanied by two men in Western clothing, paid a courtesy call at Jim Abourezk's U.S. Senate office. The visitor, who spoke no English, presented a card bearing the name Sheik Ongha Biran. He came, one of his companions explained, from Halat al-Bhudi, a small island off the coast of Dubai. The men had not made an appointment, but Abourezk invited them into his office for a chat; the sheik's other companion began snapping pictures. Mentioning his own Arab heritage, the senator greeted the visitor in Arabic. When the sheik made no reply, and then abruptly left with his two associates, Abourezk grew suspicious. The next day Abourezk's staff called the State Department and learned there is no island named Halat al-Bhudi.[1]

Three weeks later, the *National Enquirer* published its exposé. Ace reporter Brian Hogan had donned Arab clothing, jumbled the letters of his name to become Ongha Biran, and found himself the toast of Capitol Hill. Abourezk had been only "the first dignitary to fall over himself trying to befriend the phony sheik." Three other senators, Henry Bellmon of Oklahoma, John Danforth of Missouri, and Gaylord Nelson of Wisconsin, had each cordially received the exotic visitor; the *Enquirer* had the photos to

prove it. A perusal of the article suggests that none of the senators displayed anything more than bemused politeness, but the tabloid extracted a damning lesson from the episode. "Anyone wearing an Arab robe and headdress," it observed, "can command VIP treatment in oil-hungry Washington, D.C." The following spring one of Abourezk's home-state papers, the *Pierre Times* (South Dakota), belatedly picked up the "fake sheik" story and made the same point more pungently: "To get to the offices of your elected representative without an appointment, and to have much of oil-hungry Washington crawling on their bellies, all you need to do is wrap a towel around your head and claim you're Sheik Bogus Al-Phoney. In the 202nd year of American independence."[2] Neither newspaper spelled out why congressmen in particular would grovel before a figure like Sheik Onga Biran. Presumably, it was to grab a piece of his fabulous oil wealth—"petrodollars" was the new term of art—for investment in their states and districts, or even for their personal use.

The *Enquirer*'s stunt was unimpressive, and few other news outlets paid it any notice. But it foreshadowed a far more consequential sting operation—quietly launched by the FBI just about the time of Sheik Biran's Senate visit and exposed to public view early in 1980—during which several U.S. congressmen *did* disgrace themselves to get their hands on some tantalizing Arab oil riches, dangled before them by another burnoose-clad imposter. If the Biran visit drew only a trickle of journalistic dismay over official Washington's unseemly interest in Arab petrodollars, then the Abscam affair, as the later episode was called, produced a torrent of such sentiment. Both events reflected a broader concern, prevalent in American society in the mid- and late 1970s, that the circulation of petrodollars was permitting Arab governments and interests a dangerous degree of influence over the nation's economic, cultural, intellectual, and political life.

From Congress, pro-Israeli groups, mass-circulation media, and occasionally the broader public came several distinct, but often overlapping, objections to the influx of Arab petrodollars. Some feared that Arab states would use their growing economic power to disrupt U.S. support for Israel—whether by threatening economic reprisals if Washington persisted in such support, by continuing to boycott American companies that traded with Israel, or by turning American universities into hotbeds of pro-Arab agitation. Some worried that repugnant regimes in Tripoli, Baghdad, Riyadh, and elsewhere would succeed in purchasing a sanitized image in the United States. Some, of a more populist bent, saw Arab petrodollars as an instrument of American corporate aggrandizement. And some (though

this sentiment was seldom voiced openly) no doubt recoiled from the specter of swarthy foreigners acquiring assets and enjoying luxuries that few Americans could afford. Underlying all of these concerns was a sense that Arab economic power threatened the independence and dignity of the United States or its people.

Yet if displeasure over the influx of Arab petrodollars was the dominant reaction, many Americans viewed the phenomenon more positively. Members of the foreign policy establishment generally agreed that oil-rich Arab countries would be more cooperative on international issues if they had a larger stake in the U.S. economy. Most of those charged with managing or analyzing that economy—government officials, macroeconomists, financial journalists, and others—understood, as well, the value of Arab investment in an era of stagflation. Many individual businesspeople relied on, or hoped to receive, infusions of capital from Arab sources. When it was politically safe to do so, university administrators welcomed Arab funding of Middle East studies programs, which in turn tended to foster, at least within higher education, more sympathetic attitudes toward the Arab world. Finally, the hostile climate often surrounding petrodollars drew a concerted, and partly successful, effort by Arab Americans to combat anti-Arab stereotypes in public discourse. Abourezk could shrug off the *National Enquirer*'s practical joke; similar antics by the federal government, publicized and sanctioned by the national media, were much harder to ignore.

The most consequential petroleum-related event of late 1973 was not the Arab oil embargo but, rather, the drastic increase in the price that the Organization of the Petroleum Exporting Countries (OPEC) charged for each barrel of oil. In two successive spikes between mid-October and late December, OPEC's per-barrel price rose from $3.01 to $11.65, contributing to an inflationary spiral that ravaged the global economy. Over the next few years, a struggle ensued within OPEC over the appropriate trajectory of oil pricing. While the shah of Iran pushed for additional price increases, eager as always to acquire the revenues to expand his already huge arsenal, the Saudi government tried to bring prices down somewhat. Heedless price gouging, Riyadh warned, would further damage the global economy, harming Middle Easterners along with everyone else. The Saudis also worried about alienating the United States, the ultimate guarantor of the kingdom's security. The U.S. government favored the Saudi position and petitioned the shah of Iran to lower prices—though sometimes in muted tones, on account of Henry Kissinger's partiality for the shah and desire to

keep contentious issues from intruding on U.S.-Iranian relations. Whatever the respective weight of these Iranian, Saudi, and U.S. influences, from 1974 to 1978 oil prices were relatively stable, undergoing only a modest nominal increase and even a slight decline when adjusted for inflation. Because the 1973 price hikes had been so dramatic to begin with, however, simply maintaining the new prices ensured that oil-producing countries would continue to reap enormous revenues.[3]

Recognizing this reality, Washington sought to channel the surplus wealth in ways that benefited the United States. Most U.S. officials agreed that, the more oil-rich Middle Eastern countries invested in the United States, the greater would be their stake in the success of the American economy. "OPEC members," predicted a U.S. Treasury Department report in January 1974, ". . . will be significantly less likely to attempt to disrupt the economies where they hold assets. Therefore as their wealth increases, the probability of their pursuing policies designed to hamper other economies[—]like cutting off their oil—is likely to decline." In the coming years, the Treasury and State Departments strongly encouraged Arab countries to invest in American enterprises and deposit funds in American banks. Partly as a consequence of these urgings, but mostly due to the attraction of investing in such a huge and diversified economy, the United States became the largest single destination of Arab capital. By mid-1978, Arab countries had invested some $29 billion in the United States, mostly in the form of bank deposits and purchases of U.S. government securities, with a few billion invested in tangible assets such as real estate, cattle ranching, and food processing companies.[4]

The influx of petrodollars aroused sharp opposition within the United States. Members of Congress, leaders of pro-Israel groups, mass-circulation journalists, and some elite pundits warned that Arab nations might, in a future crisis, punish the United States by abruptly withdrawing their funds from American banks; that Arab investors might gain control of a vital American industry; or that Arab-owned firms might discriminate against Jewish employees or wage economic warfare against Jewish-owned competitors.[5] Executive branch officials, business leaders, macroeconomists, and other elite pundits countered that Arab holdings in the United States made up a small fraction of overall foreign investment, most of which came from Canada and Western Europe; that Arab investment, such as it was, benefited the U.S. economy; and that safeguards already existed to prevent the abuses critics predicted.[6] A failed 1974 effort by Arab investors to acquire a controlling share of the Lockheed Aircraft Corporation, the largest U.S.

defense contractor, seemed to vindicate the Cassandras. Yet defenders of the status quo could clam that the system was working: had Lockheed executives themselves not rejected the takeover bid, existing security-clearance requirements would have blocked its consummation. From 1974 to 1976 Congress considered various bills to tighten restrictions on foreign investment, but the administrations of Richard Nixon and Gerald Ford headed them off.[7]

Congressional critics had somewhat greater success when it came to the Arab economic boycott against Israel, an issue that, while touching mainly on business activity in the Arab world, had the potential to affect the influx of petrodollars into the United States. Since 1948, the Arab states had rejected all economic dealings with Israel. They had subsequently extended the boycott to companies of any nationality doing business with Israel, and then extended it further to companies that did business with those companies. Before the fall of 1973, the Arab boycott was of little international consequence. Thereafter, however, companies throughout the world, including many American ones, proved willing to shun Israel, or other companies that dealt with it, to win contracts in oil-rich Arab countries. Meanwhile, some Arab countries boycotted businesses owned or managed by supporters of Israel, and a number of companies complied with this stipulation as well. Because many of the targeted executives were Jewish, critics claimed that the Arab boycott was anti-Semitic. Spurred on by Jewish and pro-Israel groups, in 1975 and 1976 Congress considered several bills to outlaw compliance with the boycott.[8]

The Ford administration opposed these efforts. A successful antiboycott bill could anger oil-rich Arab states and cause them to retaliate by raising oil prices or curtailing the flow of petrodollars into the United States. To preempt congressional action, President Ford proclaimed his opposition to religious discrimination and vowed that his administration would vigorously prosecute any illegal boycott-related discrimination it discovered. Congress persisted in its antiboycott efforts. Although it failed to pass a bill criminalizing compliance with the boycott, in the summer of 1976 an amendment denying some tax breaks to boycott compliers was successfully attached to a tax revision bill. Unable to get the amendment removed, yet loath to veto a tax bill he deemed vital to economic recovery, Ford signed the legislation.[9]

In response to the antiboycott measure, Saudi leaders privately warned the U.S. government that they might well have to go along with a substantial price increase at the next OPEC meeting, scheduled to convene in

Doha, Qatar, in December 1976. Price restraint was an unpopular position within OPEC, the Saudis said; to uphold it, they must be able to show that the Western powers were acting in good faith. Throughout the fall, Ford and other U.S. officials implored Saudi Arabia not to succumb to the price hawks in the cartel. Assistance in this diplomacy came from an unlikely quarter, and only after Ford had lost the election to Jimmy Carter and was no longer positioned to benefit politically. While visiting the Middle East in mid-November, Senator Abourezk met separately with Saudi Arabia's King Khalid and with Shaykh Zayid bin Sultan Al Nahyan, ruler of the United Arab Emirates (UAE), and urged both leaders to keep pushing for price restraint within OPEC. A major price hike at this moment, Abourezk cautioned, would play into American Zionists' hands and make it harder for the new president to pursue an equitable Arab-Israeli peace settlement.[10]

Abourezk's session with King Khalid was marred by an angry altercation between the senator and the U.S. chargé d'affaires in Saudi Arabia, Hume Horan, who accompanied Abourezk to the entrance to the king's chambers expecting to attend the meeting. Abourezk thought Horan's presence would inhibit frank discussion and insisted on meeting alone with the king. When Horan said that diplomatic protocol required his attendance, Abourezk snarled, "Do you want your nuts cut off?" Horan persisted, relenting only after the Saudi interpreter stated that, because Abourezk had made the appointment, the Saudis "had to defer to his wishes as to who would accompany him."[11]

Despite this inauspicious introduction, Abourezk was able to make his points to King Khalid, as he had done days earlier to Shaykh Zayid. At the December OPEC meeting, Saudi Arabia proposed a six-month moratorium on any price increase; the UAE followed suit. When the other OPEC members voted for a 15 percent increase, the Saudis and the Emiratis decided to raise the price of their oil by just 5 percent. For some months, OPEC followed a two-tiered pricing system. Yet the sheer size of Saudi Arabia's share of the global market—which Riyadh expanded further by boosting its production from 8.5 million to 11.8 million barrels per day—made it impossible for the other OPEC nations to maintain the higher price for long. In July 1977, the organization as a whole settled on a 10 percent increase. Abourezk's influence in this matter is difficult to determine. While Horan was not inclined to give the senator any credit, the U.S. ambassador to the UAE, whom Abourezk did not bar from his session with Zayid, reported that "Senator Abourezk certainly made a very persuasive case."[12]

None of these events did anything to curtail the influx of Arab petrodollars into the United States, where politicians, pundits, journalists, activists, and other opinion leaders remained fixated on the phenomenon, especially its more visible aspects. In news stories on the topic (and regardless of whether the overall tone was alarmist, reassuring, or neutral), a common device was simply to list the various American locales, prominent and obscure, in which oil-rich Arabs had purchased major properties, as if to show how thoroughly the tendrils of Arab economic power had crept into the nooks and crannies of American life. Wealthy Kuwaitis, reported the *New York Times* in November 1974, "recently bought the 3,500-acre Kiawah Island, off the coast of South Carolina. . . . Other [Kuwaiti] interests include half-ownership of the Atlanta Hilton Center, . . . a 27 per cent share in a cattle feeder lot in Idaho, and some undeveloped land in California's San Remo Valley." A June 1975 article in the *Wall Street Journal* noted that the investment portfolio of Adnan Khashoggi, a fabulously wealthy Saudi businessman, "includes two small California banks, part of a heavy-trailer-manufacturing plant in Albuquerque, a minority interest in Arizona-Colorado Land & Cattle Co., and a steak house in Modesto, Calif."[13]

This motif sometimes appeared in fictional accounts as well—and here the tone was more consistently hostile. The protagonist of Harold Robbins's 1974 novel *The Pirate*, a rapacious Arab plutocrat named Baydr Al Fay (reportedly modeled on Khashoggi), is described as having "wound up as the controlling stockholder of a small bank in La Jolla, California, a mail-order insurance company based in Richmond, Virginia, and a home-loan and finance company with forty branches in Florida."[14] In a key plot twist of the 1976 movie *Network*, Howard Beale, the deranged television personality, suddenly turns on his own network, charging during a live broadcast that Saudi investors are about to purchase CCA, the network's parent company. This will be, Beale claims, just the latest in a series of Arab acquisitions. Again, the List: "We all know that the Arabs control 60 billion dollars in this country. They own a chunk of Fifth Avenue, twenty downtown pieces of Boston, a part of the Port of New Orleans, an industrial park in Salt Lake City. They own big hunks of the Atlanta Hilton, the Arizona Land and Cattle Company, the Security National Bank in California, the Bank of the Commonwealth in Detroit. . . . They're all over: New Jersey, Louisville, St. Louis, Missouri. . . . The Arabs are simply buying us!" Although Beale is obviously insane, it quickly emerges that he is right about his network's impending sale to Arab interests. "CCA has two billions in loans with the Saudis," a despondent network executive admits in a closed-door meeting

following Beale's broadcast. "And they hold every pledge we've got. We need that Saudi money bad." About the peril of petrodollars, not even a madman can exaggerate.[15]

On real-life network television, especially entertainment programs, portrayals of Arab acquisitiveness could be even more hyperbolic.[16] In a *Charlie's Angels* episode from 1979, the daughter of a wealthy Arab—identified as the owner of "half the oil in Arabia"—signs up for a fifteen-mile footrace. When her father disparages the notion of "running in the streets half dressed," the young woman replies, "Please do not question my motives. After all, I did not question you when you bought Rodeo Drive in Beverly Hills." "Did I buy Rodeo Drive?" the father absently asks an associate. In a 1978 episode of the medical drama *Trapper John, MD*, another oil-rich Arab tries to reward the American surgeon who has performed a lifesaving operation on him. What'll it be? the grateful patient asks. "A harem, perhaps? Your own hospital? The state of Pennsylvania?"[17]

Not only are these fictional Arabs buying up the country; they believe they are exempt from American laws. In the *Charlie's Angels* episode, the "Arabian girl" enters the race despite the objections of her overprotective father, who follows the runners in a chauffeured Cadillac, ordering the driver to proceed over bike trails marked as closed to automobile traffic. In a 1978 episode of *CHiPs*, a "buddy" show about two California highway patrolmen, a pampered and arrogant Arab prince races around in a red Ferrari, grossly exceeding the speed limit. He tries to bribe the patrolmen, causing one of them, Poncherello, to protest that such payoffs are illegal. "I'm above your laws," scoffs the prince. "Someday you're gonna kill somebody, the way you drive," Ponch retorts. "But you cannot buy permission to do it on our beat. Not for all the oil in the Middle East!"[18]

Naturally, such cartoonish depictions of Arab economic power aroused keen resentment in Arab American and Arab-friendly circles. In the second half of the 1970s, a wide array of individuals and organizations castigated the television networks for their insensitivity, though most of these critics addressed the topic only glancingly. An exception was Jack G. Shaheen, a young Lebanese American communications professor at Southern Illinois University at Edwardsville. Without benefit of home recording technology (personal videocassette recorders were only just appearing on the market), Shaheen spent hundreds of hours monitoring the Tube's ceaseless effusions, jotting down scene descriptions and bits of dialogue; his wife helped take notes.[19] He and a student, Joanne Myler, then wrote to network executives (mostly at the middle level), confronting them with the content of their

programs and urging them to recognize its harmful character. A frequent rhetorical device, which soon became a staple of Arab-friendly media critiques, was to ask if any other ethnic group could be similarly disparaged. "When you screen ONE DAY AT A TIME," Shaheen wrote a CBS vice president, "substitute Jew or Black for Arab. Does the racism seem more obvious?"[20]

Most network executives, when they replied at all, were polite but unpersuaded. These were fictional portrayals, they said; no one should expect literal accuracy. (Such a response never would have sufficed, of course, in the case of fictional representations containing blatantly anti-Jewish or antiblack stereotypes.) Occasionally, an executive would agree that a particular depiction had gone too far and implement a remedy. "At my direction," CBS vice president for program practices Van Gordon Sauter wrote to Myler in 1977, "CBS recently refused to allow any more airings of an appliance commercial which portrayed an Arab with 75 wives."[21] A tiny victory, but this was about as far as the system would bend. And Shaheen did, over the next few years, cultivate sympathizers in network management who circulated his concerns among their colleagues and thereby may have achieved a slight softening of anti-Arab caricatures.[22] "While we 'never promised you a rose garden,' Jack," Sauter's successor at CBS program practices wrote to Shaheen in 1979, "I think you can see some improvement in terms of Arab portrayals on television." "Never asked for 'a rose garden,'" Shaheen replied. "Just a fair shake. Haven't seen a good camel-jockey—yet!!!"[23]

By now, the professor had gone public with his concerns. In late 1978, after a string of rejections, Shaheen placed an article in the *Christian Century*, a mainline Protestant journal published out of Chicago. In October 1979, the *Wall Street Journal* printed a shorter version of the piece, and meanwhile other versions appeared in several Arab American and Arab-friendly newsletters. The articles documented television's disparagement of Arabs and, in some cases, described the author's mostly quixotic efforts to get the networks to mend their ways. Although television remained his primary focus—the 1984 book version of his critique would be titled *The TV Arab*—Shaheen found defamatory portrayals in many other popular media: films, novels, press accounts, print ads, even syndicated comic strips like "Dennis the Menace" and "Broom Hilda." "I now have to hide the comics from my children," he poignantly observed.[24]

Unfortunately for Shaheen's cause, the rapidly expanding scale of the U.S.-Arab economic encounter, coupled with journalists' fascination with the topic, ensured a regular supply of real-world examples that lent credence

to the worst caricatures of gauche and rampant opulence. In 1978, a young Saudi businessman with ties to the royal family purchased a thirty-eight-room mansion in Beverly Hills, California, painted it mint green, installed a shiny copper roof, decorated the perimeter with plastic flowers, and painted the existing nude statuary in natural flesh and hair tones, with the genitalia accentuated in red. The "Sheik's Palace" quickly became a sightseeing attraction. Vendors set up stalls near the site; tour bus companies placed it on their routes. "I'm so embarrassed by it all," complained an unnamed Saudi prince in the area. "This man is behaving like a Texan!"[25] Connections between the Desert Kingdom and the Lone Star State had arisen three years earlier with news reports that a wealthy Saudi had inquired about purchasing the Alamo. He wanted to give it to his son, a pilot trainee in San Antonio who had gushed about the landmark in letters home. Journalistic responses were more amused than indignant. "Arab Can't Buy Mecca of Texans," one headline announced. "Forget the Alamo," counseled another.[26]

In short, the image of the spoiled, filthy rich, bumptiously acquisitive Arab spendthrift, whether drawn from reality or wholly fictional, was far too vivid and ubiquitous for any one critic to banish. Not until 1980, however, would an organized response to the problem materialize. In the meantime, the preoccupation with petrodollars, and with the strange figures who dispensed them, continued to rile American society.

In U.S. academia, a growing number of financial donations from Arab sources, usually earmarked for studying the Middle East, aroused unease, suspicion, or outright hostility. Some of the opposition was crassly xenophobic; some of it reflected genuine concern that particular donor arrangements could compromise the academic integrity of recipient institutions. Whatever its motivation, the criticism strengthened the public impression that Arab actors were intruding on a hallowed sphere. At the same time, Arab petrodollars nurtured academic constituencies that generally viewed the Arab world sympathetically and, in some cases, closely identified with it.

In the half decade following the October War, much of the Arab financial support for American higher education came in the form of tuition. The petrodollar bonanza allowed oil-rich Arab states to send more and more of their young people so seek training abroad. American colleges and universities, desperate to boost enrollments in the post-1973 recession, eagerly welcomed the new students. Between the spring of 1974 and the fall of 1978, the number of Arab students in the United States rose from about 8,800 to about 15,000. The rapid growth in the number of Saudi students—from

just over 2,000 in early 1975 to 10,000 in late 1978—accounted for most of this increase. During those same years, moreover, Arab oil producers grew increasingly willing to provide direct financial support to American colleges and universities, especially for the purpose of establishing Middle East studies programs and centers, or enhancing existing ones. By late 1978, at least seventy-five U.S. institutions had accepted program-related gifts from Arab states, a tenfold increase since 1973.[27]

Two of the biggest recipients were Georgetown University and the University of Southern California (USC). Between 1975 and 1980, Georgetown secured a series of donations from Arab countries, totaling some $3.4 million, to launch its Center for Contemporary Arab Studies (CCAS). In 1976, the Saudi government endowed a $1 million chair of Arab and Islamic studies at USC. Two years later, the Saudis encouraged several American companies with interests in the kingdom to pledge as much as $22 million for the establishment at USC of a center for Middle Eastern studies.[28]

Each of these initiatives aroused fierce controversy. The funds Georgetown solicited included $50,000 from Iraq and $750,000 from Libya. Both countries' governments opposed any accommodation with Israel, and Libya's Mu'ammar Qaddafi made little secret of his support for violent Palestinian rejectionist groups. The columnist Art Buchwald castigated the university for taking "blood money," a charge echoed by Jewish and pro-Israel commentators across the county. When Georgetown administrators insisted that neither Libya nor Iraq nor any other Arab donor would impinge on CCAS's academic independence, critics replied that such direct influence was unnecessary, given the political leanings of faculty members involved in the center. The center did feature a number of prominent scholars, such as the political scientists Hisham Sharabi and Michael Hudson, who had sharply criticized the U.S. government's support for Israel and failure to accommodate Palestinian claims; CCAS made no pretense of "balancing" them with pro-Zionist scholars. "The center is not doing a very good job," wrote Nicholas Lemann in the *New Republic*, "of laying to rest people's fears that one of its missions is to propagandize for the Arabs generally and the PLO in particular." As Lemann acknowledged, however, such partiality was hardly unique among university centers. The Center for Strategic and International Studies, also at Georgetown, was consistently hawkish in foreign policy debates, yet few questioned its academic legitimacy.[29] This consideration did nothing to lessen the criticism.

With pressure mounting, in July 1978, Georgetown's president, Father Timothy Healy, returned the $50,000 to Iraq, implausibly explaining that the proffered funds, though much appreciated, were no longer needed. Libya's $750,00 was harder to part with, but a barrage of angry letters from the public, and expressions of pointed concern from influential university trustees (including the prominent U.S. diplomat Max Kampelman), eventually persuaded Healy that the gift was more trouble than it was worth. In February 1981, he returned it as well. This time, Healy made no attempt to console the rebuffed donor, announcing that Tripoli's "growing support of terrorism" made it impossible for Georgetown to retain the gift.[30] The university kept the other Arab donations, however, and a battered CCAS weathered the controversy.

Plans for a Middle East studies center at USC fared less well. In that case, the questionable ground rules for administering the proposed center, as much as its Arabist funding sources, accounted for the public opposition to the scheme. The USC center was largely the brainchild of J. Robert Fluor, chairman of the university's board of trustees and head of a construction firm with far-flung overseas contracts. The vaguely worded agreement that Fluor brokered between USC and the Saudi-friendly corporations, concluded in 1978, appeared to vest administrative control of the Middle East center in a private foundation over which the university had no authority. A revolt by USC faculty, cheered on by pro-Israel groups, produced a spate of negative publicity and compelled the university administration to appoint a special committee to look into the matter. In mid-1979, the committee recommended that the agreement be rescinded, and the USC board of directors, with Fluor's own grudging assent, followed the recommendation. USC's president, tainted by the affair, stepped down.[31]

In the suburbs of Philadelphia, a smaller version of these dramas played out on the campuses of three affiliated Quaker colleges. In the fall of 1977, Swarthmore, Haverford, and Bryn Mawr sought funding for a joint program to strengthen Middle East studies at each school and provide need-based scholarships to Arab students. They obtained a tentative pledge of $590,000 from the Triad Foundation, a philanthropic outfit run by the aforementioned Adnan Khashoggi. A flamboyant jet-setter with dealings in Washington, London, Paris, Beirut, Riyadh, and elsewhere, Khashoggi had made his fortune brokering Western arms sales to his native Saudi Arabia. In 1975, he was enmeshed in a Washington influence-peddling scandal, accused of soliciting bribes from U.S. weapons manufacturers doing business with the

kingdom. Two years later, Khashoggi was still dodging a subpoena from the U.S. Securities and Exchange Commission, which sought to question him on the matter.[32]

The association of the colleges' Middle East initiative with such a controversial figure was a real vulnerability, and opponents wasted little time in exploiting it. The moving force behind the opposition was the New York–based American Jewish Committee (AJC), though the organization kept a low profile. "Our participation was not widely known on the campuses and not reported in the public press, as we wished," AJC national program director Ira Silverman later wrote in an internal memorandum. With similar shrewdness, the AJC downplayed the Arab-Israeli issue and focused instead on the incongruity of Quaker colleges taking money from a shady arms dealer. It disseminated derogatory information about Khashoggi among students, faculty, and alumni of the three colleges. Some of this material appeared in the colleges' student newspapers. The *Swarthmore Phoenix* falsely claimed that Khashoggi was under federal indictment. "Say No to Triad," demanded the newspaper published jointly by Haverford and Bryn Mawr. Off campus, the AJC mobilized opposition among Philadelphia's Jewish community and enlisted New York congressman James Sheuer, a Swarthmore alumnus, to exert quiet pressure on his alma mater to pull out of the Triad agreement.[33]

Just days into the protests, Haverford withdrew from the joint project, saying it was inappropriate for a Quaker college to "apply for funds derived so directly from arms traffic." Swarthmore immediately followed suit, citing "the lack of a significant existing base in Middle East studies at Swarthmore"—a deficiency the Triad scheme was presumably designed to rectify. For a time, Bryn Mawr pursued a scaled-down version of the grant. Its president, Harris Wofford, publicly urged the college community "to guard against prejudice, against misinformation, and against the politics of purely personal psychic satisfaction." It was too late. Embarrassed by the publicity, Khashoggi turned down Bryn Mawr's application. "This is a good case history of how we can be effective in working with colleges to limit Arab influence on campus," a triumphant Silverman reported to the AJC.[34]

More often than not, however, the exotic transactions were consummated. In the late 1970s and early 1980s, many other U.S. universities eagerly accepted the Arab world's oil-begotten largesse: $5 million for the study of life sciences at Princeton, $1 million for a chair of Arab studies at Harvard, a reported $100,000 annually for an existing Middle East studies center at the University of Texas, to name just some of the gifts.[35] This was

a fortuitous turn for Middle East studies. Since the early 1970s, economic hard times had prompted both the federal government and private American foundations to reduce their support for Middle East and other area studies; the Iranian Revolution of 1978–1979 eliminated another major source of funding for Middle East–related programs.[36] At a key moment, then, financial contributions from the Arab world allowed colleges and universities to meet a rising demand for instruction and research in the languages, history, culture, society, and politics of the Middle East.

The growing importance of Arab funding coincided with, and in some ways furthered, a shift in orientation within Middle East studies. Over the first quarter century after World War II, U.S. Middle East studies had been dominated by European American (and sometimes European) scholars who tended to share official Washington's geopolitical outlook and often aspired to produce scholarship that facilitated U.S. policymaking in the Middle East (even while grumbling that the government never followed their advice). As in other academic areas, the upheavals of the Vietnam era challenged this approach, and by the mid-1970s the field's practitioners were more prone to look askance at American global power. Meanwhile, an influx of students and faculty from Arab countries, combined with the coming-of-age of young Arab Americans who had chosen to study the region, altered the field's demographic character. Increasingly, scholars who personally identified with the Arab world were helping to determine how it was studied in the United States, a phenomenon encouraged by the academic activities of the Association of Arab American University Graduates (AAUG). (Underscoring both themes—the disaffection from U.S. policy and the rising prominence of Arab and Arab American scholars—was the publication of Edward Said's *Orientalism*, which first appeared in 1978 and began to revolutionize Middle East studies in the following decade.)[37] Petrodollars partly enabled this broad transformation, erecting a modest firewall against the animosities they simultaneously stoked.

In the realm of higher education, the tussle over petrodollars was largely a debate about the future: what role could Arab oil money legitimately play in training the citizens and leaders of tomorrow? In national politics, by contrast, the potential impact of petrodollars lay in a more immediate temporal realm. Early in 1979, John B. Connally, a former governor of Texas who had served as Richard Nixon's treasury secretary, announced his candidacy for the Republican presidential nomination. Over the coming months, Connally's ties to Arab business interests, coupled with his

unorthodox approach to the Arab-Israeli dispute, raised a flurry of concern about petrodollars' allegedly corrupting influence on the determination of national policy toward the Middle East.

Like any candidate, Connally had his share of weaknesses and strengths, though his tended to be larger and more dramatic than usual. On the negative side, he had been a Democrat until 1973, and a high-ranking one at that, leaving many Republicans to question how sincerely he espoused the tenets of his adopted party. In both politics and business, he had a reputation for cutting corners, and some of the sleaze from the Nixon administration (though little of Watergate itself) had rubbed off on him.[38] In 1974, Connally was tried in federal court for taking an illegal gratuity while serving as Nixon's treasury secretary; his subsequent acquittal did not entirely clear his name. More recently, there were murmurings about his chumminess with Arab investors. In 1977, Connally joined two Saudi businessmen, Ghaith Pharaon and Khalid Bin Mahfouz, in acquiring a controlling interest in the Main Bank of Houston. Soon thereafter Connally's law firm facilitated Pharaon's purchase of stock in the National Bank of Georgia, a transaction involving Bert Lance, Jimmy Carter's scandal-clouded former budget director.[39] In the early months of his campaign, Connally's Arab dealings attracted only modest attention. That would soon change.

On the positive side, Connally was a physically imposing, handsome, articulate, and charismatic figure who radiated confidence and command. His résumé ran the gamut from government to business to military affairs to the law. He seemed to offer just the sort of sure-footed leadership Americans professed to crave as 1980 approached. Moreover, for all his unsavory Nixon ties, Connally had a touch of the JFK mystique. As governor of Texas in November 1963, he had been riding with Jack Kennedy during the latter's ill-fated visit to Dallas and was seriously wounded by the gunfire that killed the president. These circumstances aroused considerable excitement among national news commentators. "Throughout early 1979," writes the political analyst Andrew Busch, "if any candidate had media 'buzz,' it was Connally."[40]

Naturally, Connally and his advisers hoped that the "pluses" would prevail and advance the candidate to the front ranks of the Republican primary field. As of the summer of 1979, however, there was little evidence that the campaign was catching on with Republican voters. Hoping to reinvigorate his candidacy through a bold gesture, Connally asked his top adviser on foreign affairs, Samuel Hoskinson, a former CIA and National Security Council analyst, to draft a major foreign policy speech. The Middle

East was then much in the news: Arabs were still in an uproar over the Egyptian-Israeli peace treaty; the Iranian Revolution had driven up the price of Persian Gulf oil, dramatizing the world's dependence on that commodity. Connally and Hoskinson agreed that a challenging address on the Middle East would be just the thing to distinguish the candidate as a serious thinker in foreign affairs. Moreover, both men sincerely believed that a friendlier posture toward the Arab world would serve America's strategic and economic interests.[41] The resulting speech did set Connally apart from his rivals, though not in a manner that did him any good.

The address, which Connally delivered at the National Press Club in Washington, DC, on October 11, laid out a bold scheme for resolving the Arab-Israeli conflict and securing Western access to Middle Eastern oil. Israel, he said, should withdraw from virtually all of the Arab territories it occupied—not just the Sinai Peninsula—and permit the Palestinians to exercise "their right of self determination" in the West Bank and Gaza. While it was preferable that the Palestinians opt for confederation with Jordan, Connally did not rule out an independent state. In exchange, the Arab states and the Palestinians should recognize and make peace with Israel, agree to the demilitarization of the West Bank, Gaza, and the Golan Heights, and permit Israel "to lease military strong points" in those areas for a time. Further, the Arab oil producers should pledge to export petroleum at stable prices without regard to political disputes. "The Arabs must, in short, forsake the oil weapon in return for Israel's withdrawal from the occupied territories," Connally declared. To guarantee the agreement, the United States should expand its own military presence in the region, perhaps by leasing the airfields in the Sinai that Israel would soon vacate, perhaps by forming a new naval fleet to patrol the Indian Ocean.[42]

In part, Connally was reviving the comprehensive settlement that President Carter had pursued in 1977. The candidate's willingness to countenance a Palestinian state, however, went beyond Carter's vague talk of a Palestinian "homeland." Connally's speech also contained criticisms of Israeli attitudes and policies of a sort that Carter administration officials had expressed only in private.[43] Moreover, while most observers believed that the Arab-Israeli impasse had jeopardized Western access to Middle Eastern oil, and that security on the latter issue probably required progress on the former, no previous U.S. peace plan had explicitly advocated that quid pro quo. Connally's calls for military intervention were an even sharper departure from U.S. policy (though a few months later Carter himself would make similar noises).

The public reaction to the speech was swift and savage, mostly centering on the claim that Connally was proposing to trade Israeli security for Arab oil. "The Connally plan is a travesty," charged the *New Republic*. "It represents the abandonment of an ally, a submission to blackmail." A *New York Times* editorial agreed that the proposal amounted to "cynical offers of ransom." Although Connally had stressed throughout his speech, and continued to stress for weeks thereafter, that Israeli security was an indispensable ingredient of his plan, some critics acted as if he were proposing to liquidate the Jewish state. "Is Mr. Cannally [*sic*] assuring the American people that our energy problem and Arab gouging would go away if Israel would go away?" asked Maxwell Greenberg, national chairman of the Anti-Defamation League. Senator Howard Baker of Tennessee, about to launch his own bid for the Republican nomination, declared, "I am not prepared to accept the sacrifice of Israel as the price of peace in the Mideast or as the hope of moderation in the price of oil."[44] While critics also challenged Connally's ideas about U.S. military intervention, they tended to do so more perfunctorily. Such measures would be unnecessary, many said, as long as Israel itself was well armed.[45]

Accompanying the condemnations were several high-profile resignations and snubs. Rita Hauser, a Jewish member of Connally's foreign policy advisory group (and a prominent figure in Republican Middle East policy circles), angrily left the campaign. "What he did that is inexcusable," she told the *Washington Post*, "is the equation of oil and Israel. It's the straight Saudi line." Another Jewish campaign official, Washington attorney Arthur Mason, also resigned in protest. Across the Northeast, Republican politicians blasted Connally's Middle East proposals. The party chairman in New York withdrew his invitation to the candidate to speak at the state's Lincoln Day Dinner, a major fund-raising event for the party. When Connally appeared as scheduled at other New York fund-raisers, prominent donors stayed away. "Every Rockefeller has turned us down," the New York Republican finance chairman lamented about a Manhattan dinner that brought in a little over $100,000, instead of the projected $750,000. In Philadelphia, Connally was humiliated when the Republican candidate for mayor refused to be photographed with him.[46]

While most critics attacked Connally's positions on the merits, some probed the sinister motives presumed to underlie such perverse stances. Inevitably, ethnic bigotry emerged as a ready explanation. Connally's references to "American interests," the *New York Times* maintained, "are ugly code words that have the effect of blaming Israel and Jews for gas lines."

When Connally appealed in a radio campaign advertisement to "the forgotten American . . . who goes to church on Sunday and believes in prayer in school," the syndicated columnist Richard Reeves saw a disturbing pattern. Connally's pointed exclusion of Jewish voters was of a piece with his criticism of Israel, Reeves wrote, and through both gestures the candidate was "tapping America's real but essentially benign anti-Semitism." In a slyer reference to the prejudice, George Will wrote that "Connally may even become 'the thinking person's Agnew,' which is, of course, a contradiction in terms."[47]

Others focused on Connally's associations with Arab moneyed interests, charging that his Middle East policy positions were venally motivated. "It should not be surprising that Connally was in favor of the Arabs and against Israel," wrote William Loeb, publisher of New Hampshire's conservative newspaper the *Manchester Union Leader*. "He has an Arab partner in the banking business in Houston. He has apparently made many large fees by representing Arab clients." The candidate's Middle East policy, wrote Harvard Law professor Alan Dershowitz and *Moment* editor Leonard Fine in a letter to the *New York Times*, "reflects . . . an unseemly eagerness to please Mr. Connally's Saudi clients at the expense of America's commitment to an honorable peace."[48]

An especially overwrought attack came from the investigative reporter Jack Anderson, who wrote in a December 1979 installment of his syndicated column, "Big John is widely perceived as the darling of Big Business, the mouthpiece of Big Oil and the buddy of the Arabs who are picking American pockets at the gas pumps." Although the column concentrated on Connally's corporate and oil company ties, Anderson closed it by wondering, ominously, "whether [Connally's] profitable links to the Arab oil moguls—which we'll detail in a future column—will prove too bitter a pill to be swallowed by an American public outraged at the financial misery and national humiliation the United States has been suffering at the hands of the Middle Eastern petroleum potentates."[49]

Anderson's promised exposé, appearing in the second week of March 1980, was an anticlimactic rehash of previously published reports on Connally's ties to Arab investors. By now, however, the candidate had abandoned his quest. Connally's strategy had been to downplay the Iowa caucuses and New Hampshire primary (he ran poorly in both states) and seek a strong showing in the South Carolina primary in early March. Success in South Carolina would transform the contest into a two-man race between Connally and the front-runner, former California governor

Ronald Reagan, a matchup Connally believed he could win. But Reagan trounced Connally in South Carolina, and meanwhile another aspirant, former CIA director George H.W. Bush, had emerged as Reagan's main rival. Seeing no path to the nomination, Connally ended his candidacy on March 9.[50]

There were, to be sure, multiple reasons for Connally's failure to connect with Republican primary voters, despite his early promise. On television he came off as too loud and forceful—too "hot" for that "cool" medium, as pundits liked to say. Many voters saw something crass in his wheeler-dealer persona and open fealty to big business. (While this latter concern encompassed suspicions about Connally's ties to "Arab money," it would have existed even if the candidate had completely shunned Arab interests.) The campaign was poorly managed and, for all its fund-raising prowess, succeeded in running out of money.[51]

Still, there can be little doubt that the reaction to Connally's Middle East speech was deeply damaging. Although Jews comprised a tiny share of the Republican voter and donor base, staunch support for Israel was the expected stance within the party. The endlessly repeated accusations that Connally was prepared to sacrifice Israel on the altar of Arab oil, that his campaign rhetoric stigmatized American Jews, that his Middle East policy positions were a function of his dealings with wealthy Arabs—all of this appears to have caused thousands of Republican voters, contributors, activists, and operatives to turn away from Connally or at least slacken in their support. (Specific polling on these questions is sparse, but Connally's biographer called the Middle East speech "political suicide.") The Middle East–related charges were all the more harmful because they tended to accentuate the candidate's other perceived defects, such as his coziness with corporate fat cats and his garish style—a problem captured in a commentator's remark, following the Iowa caucuses, that Connally was "too oily and noisy" for the Hawkeye State.[52]

A few weeks before Connally ended his campaign, Americans were greeted to the stunning news that, in the course of an FBI sting operation, several members of the U.S. Congress had taken what they thought were bribes from wealthy Arabs. If Connally's public positions seemed conditioned, in a general way, by his dealings with Arab businessmen, then here was the corruption in naked form: government services in exchange for suitcases stuffed with Arab cash. True, Connally had transacted with flesh-and-blood Saudis, whereas in this case the Arabs were entirely fanciful. But the

congressmen *believed* the Arabs were real, and were all too willing to take their money as the price for services rendered. The American political system, it appeared, was even more vulnerable to foreign political influence than previously assumed. This, at least, was a dominant interpretation within mainstream political society. For many Arab Americans, the episode carried a very different meaning.

The story of Abscam, as the FBI sting operation was called, began in February 1977, when a federal grand jury in Pittsburgh indicted a career swindler named Melvin Weinberg on mail fraud, wire fraud, and conspiracy charges.[53] Several months later Weinberg copped a plea: in exchange for a reduced sentence and the dropping of related charges against his mistress, he would plead guilty and help federal authorities catch other offenders. By late 1977, Weinberg and a team of FBI agents were conducting sting operations in cities along the Eastern Seaboard. At first, their targets were ordinary financial criminals, not politicians. But Weinberg had a knack for fashioning scams out of current events, and the ongoing drama over OPEC and oil prices offered rich possibilities. He began representing himself to sting targets as the agent of an imaginary Arab plutocrat named Kambir Abdul Rahman who headed an equally imaginary company called Abdul Enterprises. Abdul was interested in all manner of business: real estate, construction, entertainment ventures, financial speculation. He was also keen on buying valuable art and would not, Weinberg intimated, look too closely at its provenance. In a New York hotel suite in the spring of 1978, a seller of stolen paintings received an audience with Abdul himself—an FBI agent in a rented headdress who presided benignly, and mostly silently, over Weinberg's handling of the transaction. All of the sting operations involving the fictitious Arab were grouped under the heading "Abscam," an abbreviation of "Abdul scam."

Because so many of Weinberg's phony Arab projects required government licenses, favorable zoning decisions, and other kinds of official authorization, Abscam could not stay out of politics for long. By late 1978, Weinberg and the FBI were in contact with Angelo Errichetti, the exuberantly corrupt mayor of Camden, New Jersey, who also served in the New Jersey state senate. Errichetti was delighted to learn that Abdul Enterprises was thinking of building a casino in Atlantic City (and happy, too, with the bribes that accompanied these tidings); he promised to get the state to issue the necessary permits. It turned out, moreover, that the mayor had acquaintances on Capitol Hill who could render services of their own for a share of Abdul's pile. In the second half of 1979 and into early 1980,

Weinberg and an FBI agent named Anthony Amoroso met with several members of Congress, enlisting them in an array of schemes amounting to government action in exchange for money. Occasionally, a second fake Arab, Abdul's associate Yassir Habib, impersonated by another FBI agent, attended the meetings. Much of the promised government action involved bills in Congress to grant permanent residency to Abdul and Yassir, who, Weinberg and Amoroso claimed, feared being exiled by a revolution in their home country (sometimes identified as the United Arab Emirates, sometimes an unspecified Gulf sheikhdom). In return for pledging these favors, the congressmen came away with suitcases full of cash or with promises of Arab investment in businesses they or their friends owned. Most of these encounters were secretly videotaped.

After the Abscam story broke, journalists expressed surprise that prominent politicians could have fallen for such transparent ruses. Arab American activists, as we shall see, were outraged that these supposed pillars of society had seen nothing amiss in the FBI's crudely stereotypical portrayals of wealthy Arabs. Upon closer examination, however, Abscam's success is easier to understand. For all their later notoriety, the Arab impersonators made few appearances in the actual sting operations, which extended over two years. Abdul was trotted out only once, during Abscam's prepolitical phase, and Yassir used just three times, mostly for bagging a single subject, senator Harrison Williams of New Jersey. (In the mid-1970s, Williams had been a leading advocate of congressional restrictions on the influx of petrodollars; perhaps he understood all too well the destructive temptations they posed.) Although the Abdul impersonation was comically slapdash, the Yassir effort was more credible. The agent playing Yassir, Richard Farhart, was a Lebanese American who spoke some Arabic.[54] The Arabs' cameos were brief and largely ceremonial, in settings in which virtually everyone was stiff and awkward. Spotting a fake in such circumstances couldn't have been very easy.

With the Arabs mainly offstage, the sting targets acquired most of their information about Abdul Enterprises and its schemes from the fast-talking American middlemen, played by Weinberg and Amoroso. And if those middlemen sometimes seemed to exaggerate the Arabs' wealth or stumble over basic facts (as when Weinberg referred to the United Arab Emirates as "One of them . . . what they call emigrant"), that could be chalked up to unsurprising ignorance. Moreover, the manner in which Weinberg and Amoroso kept stalling on Abdul's promises probably enhanced the overall credibility of the scam. Although the FBI could furnish the occasional

Figure 21. Senator Harrison Williams and "Yassir Habib," the imaginary wealthy Arab impersonated by FBI agent Richard Farhart. © AP Photo/FBI.

cash-filled suitcase, it could not produce the tens of millions of dollars that Abdul Enterprises had pledged to invest in American ventures. To explain the endless delays on that front, Weinberg and Amoroso would cite Abdul Enterprises's dysfunctional management or, taking a cue from the headlines, claim that the company's funds were tied up in the banks of revolutionary Iran. (The shah's recent ouster, naturally, made Abdul and Yassir all the more fearful of radical change in their own country.) All of these verbal impressions, working together, conjured up a hustling scenario just quirky enough to be real. Even to a discerning eye, Abscam looked a lot like what it pretended to be: an effort by wealthy Arab businessman to purchase favors from the U.S. government, mounted against a backdrop of chaotic upheaval in the Middle East, entrusted to shady American operatives who knew little about the region.

In early February 1980, in a cascade of leaks, scoops, and hasty official announcements, Abscam suddenly became public knowledge. Senator Williams and seven House members were implicated in the affair; all but one representative would later be tried and convicted of bribery or related charges. The revelations rocked the American body politic. Embarrassed

congressional leaders demanded that the Department of Justice turn over its evidence so that Congress could investigate its own. The Justice Department refused, arguing that legislative probes would compromise federal trials.[55] Editorial opinion was divided between those decrying the targeted congressmen's greed and dishonesty and those accusing the FBI of entrapping its victims with manufactured crimes.[56] Some commentators chided fellow journalists for airing lurid charges against individuals who had not yet had their day in court.[57] In letters to newspapers and the FBI, ordinary Americans expressed all of these views, but disgust with Congress appears to have been the dominant sentiment. "A wonderful job," wrote an admirer to FBI director William Webster. "Hang them all."[58]

For Arabs and Arab Americans, Abscam presented a different sort of outrage. A series of events in which no actual Arabs had participated was now raising, with unprecedented vividness, the specter of Arab subversion of American democracy. The Arab League denounced Abscam as a "campaign . . . to distort the Arab image through a dirty operation of investigation by F.B.I. agents into a purely internal matter"; the league demanded that Washington apologize to "the Arab people." The *Christian Science Monitor* reported that U.S. ambassador to Saudi Arabia John C. West "has told personal friends recently that reaction to Abscam in the kingdom has made contact difficult with close Saudi acquaintances." Traveling in Saudi Arabia shortly after the Abscam revelations, executive director of the U.S.-Arab Chamber of Commerce Mohamed Baghal found the FBI sting an unavoidable topic of conversation. "Wherever I went," he recalled, "I was asked, 'Why should we do business with a people who are insulting us?'" To contain the diplomatic damage, attorney general Benjamin Civiletti and White House spokesman Hodding Carter each issued qualified apologies to the Arab nations, expressing "regret" that the FBI's investigative procedures had caused any offense.[59]

A more sustained reaction came from organized Arab Americans. Within days of Abscam's unveiling, the National Association of Arab Americans and the AAUG condemned the FBI sting operation. Referring to initial (and erroneous) news reports that Abscam was an abbreviation of "Arab scam," the NAAA asked Americans to "reflect on the impact of an FBI operation that, instead of being called 'ABSCAM,' was . . . called 'JEWSCAM.'" The AAUG similarly wondered, "Could the F.B.I. have used a different ethnic group without due consideration to the consequences?" M.T. Mehdi, characteristically, put the question more sharply. "Couldn't the F.B.I. have used a waspish character, nondescript, or an oil-rich Venezuelan, Nigerian or an Israeli businessman to pose as the corrupting agent?" he cabled Civiletti.[60]

Jim Abourezk, who had left the Senate a year earlier (having decided not to seek reelection in 1978), was also getting into the act. Although his first recorded comment on Abscam was a quip—he said he was launching a consulting service to help members of Congress distinguish "the real Arabs from the FBI agents"—Abourezk recognized the scandal's serious cultural implications. Calling Arab Americans "the last ethnics in America who can be demeaned and stereotyped without a public outcry," he announced that he was forming a new national organization, the American-Arab Anti-Discrimination Committee (ADC), with the mission of combating such abuses in the future.[61]

Pushing back against defamation and discrimination had long been a feature of Arab American activism. The NAAA and the AAUG had frequently critiqued anti-Arab portrayals in news reporting, cinema, television, advertising, and textbooks. (And Jack Shaheen had embarked on a one-man crusade against such disparagement on television.) Both groups, especially the AAUG, had also fought to uphold the civil rights of Arab Americans and Arabs residing in the country. Yet neither organization had placed these tasks at the top of its agenda. "We are very much in need of a single issued, funded, staffed organization in this area," Abdeen Jabara wrote to Abourezk in March 1980, accepting the latter's invitation to join the new committee. Over the previous year, Abourezk had lobbied the NAAA to establish an antidiscrimination subcommittee. It could be run by James Zogby, the energetic director of the Palestine Human Rights Campaign (PHRC). "I'll raise the money and you do the work," Zogby recalls Abourezk telling him. But the NAAA was unenthusiastic, and the proposal languished. Immediately following the Abscam revelations, Abourezk renewed the suggestion that he and Zogby collaborate, this time in a stand-alone organization. Zogby left the PHRC and became, with Abourezk, ADC codirector.[62]

Following a planning meeting in Washington in May 1980, attended by Abourezk, Zobgy, Jabara, and other prominent Arab Americans, and the opening of a national office in the city four months later, the ADC expanded rapidly. Activists across the country, many of them AAUG or NAAA veterans, began forming local chapters, spurred on by Abourezk's offer to speak at inaugural banquets. In December 1980, Zogby could report that seventeen chapters had been established or would open their doors within the next few months. By the fall of 1981, the organization had five thousand members. Over the same period, the national office issued a number of short, polished studies on media portrayals of Arabs. The first two studies, on Abscam and children's entertainment, were authored by Jack Shaheen. A newsletter, *ADC Report*, updated members on national and local activities.[63]

Figure 22. Print advertisement for the Preston Company of Lowell, Massachusetts (from *ADC Report* #5 & #6, March/April 1981). From the Collection of the Arab American National Museum.

Working together, the chapters and the national office developed a formula for racking up small but heartening victories against anti-Arab defamation. Local activists would identify a conspicuous but correctable abuse in their area, such as a demeaning advertising billboard or storefront display, and complain to the offending party with letters and phone calls. The national office would follow up with objections of its own, sometimes supplementing them with complaints to the Better Business Bureau or, if radio or television was involved, the Federal Communications Commission. On several occasions in 1980–1981—in Colorado, Florida, Massachusetts, New York State, and elsewhere—the sponsors of the offensive portrayals agreed to discontinue them, sometimes with forthright contrition. They had thought the depictions were harmless fun and had no idea anyone could be hurt by them.[64]

Not all of the exposed offenders were so gracious. The Preston Company of Lowell, Massachusetts, marketing charcoal briquettes known as "Sheeks," produced a print ad urging customers, "Save oil & other high cost fuels—burn Sheeks." An accompanying drawing showed a figure in a robe and headdress hovering over a flaming barbecue. From across the country, ADC members protested to the Preston Company, whose lawyer responded with what the ADC called "a highly insulting letter in which he made crude reference to sexual practices of Arabs." Soon thereafter Preston announced it was pulling Sheeks from the market. The ADC declared victory, but the company's owner, John Preston, told the *Los Angeles Times* that the product was being withdrawn only temporarily, on account of labor problems at the manufacturing plant. He hoped to sell more Sheeks in the future. Addressing the controversy in the *Chicago Sun-Times*, the columnist Roger Simon told his readers, "Some of you may find that ad mildly amusing, but there are a couple million Arab Americans in this country who don't quite see the joke."[65] It is hard to say which revealed more about the Arab American predicament: the Preston Company's vicious incitement, or Simon's bland validation of the impulse to laugh the matter off.

By now, Arab American activists were facing new challenges. The extended captivity of U.S. embassy personnel in non-Arab Iran had aroused hostility in the United States toward Middle Easterners in general, some of it directed at Arabs and Arab Americans. And the increasingly bizarre and violent behavior of Libya's Mu'ammar Qaddafi certainly wasn't helping matters. Both phenomena were part of a wider array of Middle Eastern crises that grew increasingly enmeshed with one another as the new decade began. It was a disorienting situation for Arab American activists, and a vexing one for U.S. officials charged with making policy for the area.