

Originally Broadcast on October 29, 2003

ROBERT BAER

Interview by: Bob McKeown

IN THE BOOK, YOU SAY BY 2001 ANYBODY WHO UNDERSTOOD SAUDI ARABIA KNEW THAT IT WAS HEADED DOWN THE DRAIN... WHAT DID YOU MEAN BY THAT?

Well, first of all, it had the demographic problems. You've got a population under the age of 18 that is close to 40%. You had the budget problems, they were living off deficits, they live in a welfare state. Unemployment is - officially it's something like 30% - it's much higher. Saudis were going to the mosque and all these terrorist attacks in Saudi Arabia - the National Guard barracks in 1995, to the African embassy bombings and in 2000 the Cole - there were Saudis all involved. And you just you line up all these facts that you're aware of and it's heading for the perfect storm.

YOU SAY DEMOGRAPHIC PROBLEMS, FIRST OF ALL. DEFINE THAT...

Demographic problems is you've got this huge bulge in the population of people that cannot work because there's no jobs, they're held by foreigners; people that are uneducated yet have high expectations because of the oil wealth. And they spend all their time inside the mosque or in mosque schools or on the Internet or watching al-Jazeera. That combination leads to a pathological situation.

"The interior minister despises the United States, has made it very clear publicly and privately and has said on record: there is no problem with terrorism in Saudi Arabia."

NOW THE INTERIOR MINISTER IS A MEMBER OF THE ROYAL FAMILY?

He's a member, he's a senior prince. The interior minister despises the United States, has made it very clear publicly and privately and has said on record: there is no problem with terrorism in Saudi Arabia. And if there were, United States would deserve it for its attitude toward Israel.

NOW WHEN LOUIS FREEH (DIRECTOR OF THE FBI) WENT TO SAUDI ARABIA, WHAT WAS HIS AGENDA? WHAT DID HE WANT TO ACCOMPLISH?

He wanted to get to the bottom of the Kobar barracks attack, which was in June 1996. He wanted to get the Saudis moving on this because it looked to us as if the Saudis were arresting the usual suspects: Shia Muslims who were in opposition to the royal family. Now did they do it? Or did maybe bin Laden do it? Or maybe other people in Saudi Arabia? We never found out for sure.

As far as I know, they've indicted and they even jailed 12 Shia Saudis and they've named one Lebanese. There's an indictment but a trial hasn't been held that I know about. It has not moved forward.

AND YOUR GUT INSTINCT IS THAT THAT INVESTIGATION HAS BEEN HOW THOROUGH ON THE SAUDI SIDE?

Well, we don't know how thorough it is because they haven't presented any evidence which would clearly tie these people to that bombing. They just basically said: alright, these are the 12 people who did it, we arrested them, we conducted an investigation. And that's what you see in the indictment. But there's nothing to show that money transfers, how did these people pay for it? There's no documentation or anything you would expect in a normal investigation.

AND WHEN THE DIRECTOR OF THE FBI GOES TO SAUDI ARABIA TO ASCERTAIN WHAT'S GOING ON, DOES HE HAVE ACCESS TO PEOPLE AT THE HIGHEST LEVEL?

He met some general, some basically the doorkeeper for the interior minister, who says: don't worry, we're doing all we can. And he goes back to Washington and was told to shut up about it.

"We don't need to alienate potential clients by having an ex-FBI director coming out in public saying: the Saudis were always bastards, they will always be bastards."

SO WHEN LOUIS FREEH, AS YOU SUGGEST, SAYS THE COOPERATION WAS GREAT, DOES HE TRULY BELIEVE THAT?

No, he doesn't believe it, but he wants to be on-message you know. He's in business now. In the business world, you can't alienate the Saudis. He works for a big bank. A big bank never knows when it's going to get a deposit from Saudi Arabia you know and the bank says it's attitude. As far as I understand it's: well, you know this isn't our problem. This is Washington's problem. We don't need to alienate potential clients by having an ex-FBI director coming out in public saying: the Saudis were always bastards, they will always be bastards.

YOU EXPLAINED THE DEMOGRAPHIC PROBLEM. BUT YOU SAY THEY'RE LIVING ON DEFICITS NOW. BUT THE IMPRESSION WE HAVE, AND THE HISTORY THAT YOU DELINEATE IN YOUR BOOK, OF THE SAUDIS IS FABULOUS INCOME BECAUSE OF OIL AND FABULOUS EXPENDITURE OF THAT INCOME.

But it all goes into the royal family. All the money in Saudi Arabia, half the budget, the revenues of the country – and that's from oil, 90% of their revenues, their external revenues comes from oil – goes into the military. That's a lot of money. The thing you have to understand is the military in Saudi Arabia doesn't really exist. It didn't fight in the first Gulf War. When the Mecca mosque was

taken over, I think it was 1979, it was the French that came in – because they didn't even have a fighting force in the interior ministry to retake a building like the Mecca mosque. It doesn't exist. The military in Saudi Arabia is just a vehicle for passing out bribes to the royal family.

YET THE SAUDIS ARE, AS YOU EXPLAIN, THE FOREMOST CLIENT OF THE U.S. IN TERMS OF ARMS EXPENDITURES.

Hundreds of billions of dollars they buy in the United States for arms they don't use. In the first Gulf War, we asked the Saudis why they weren't sending their tanks to the front, their M1s. And we found out, they were embarrassed to admit it, they hadn't bought any filters for the tanks and tanks need desert filters. And what we decided was that they weren't making any bribes off the filters, so they just didn't bother buying them.

SO EXPLAIN IN THE MOST VIVID POSSIBLE TERMS THE ECONOMIC RELATIONSHIP BETWEEN THE UNITED STATES AND SAUDI ARABIA.

The United States depends upon Saudi Arabia for its oil production. The world does, as a matter of fact.

Saudi Arabia produces up to 10 to 11 million barrels a day, that's its capacity. But more than that, it has a surplus capacity of two to three million barrels. So let's say we have a strike in Venezuela that cuts off a couple million barrels a day. Saudi Arabia immediately starts producing more oil which equalizes markets. So rather than paying \$2 a gallon – you only pay a dollar because the Saudis are there to prop up markets when we need them. They're the only surplus, the only significant surplus capacity in the world.

Saudi Arabia also recycles all the money it makes off oil in the United States. It buys property, it buys property here in California, it puts trillions of dollars in our banks, it pays for presidential libraries – anything you can imagine. It even props up the dollar at times because oil is sold in dollars. Saudi Arabia has been an economic partner of the United States. It's never been a political partner.

SO THIS IS PART OF THEIR DEAL, SO TO SPEAK, WITH THE U.S. IS TO KEEP...

... oil on tap, pump it when we ask for it and it's worked great. The first Gulf War, they pumped it, the extra oil. The second Gulf, this most recent one, they pumped oil. You know demonstrations in Nigeria that cut off oil or riots, they pumped more oil. You know there's some reason that there's been some economic crisis or a surge in the economy, during all the dot.com years, they pumped more oil, as much as we wanted.

SO THOUGH, IN FACT, SAUDI ARABI ONLY PROVIDES A RELATIVELY SMALL PROPORTION OF THE OIL USED IN THE U.S.

It's about 20% of our imports or 10% of our total oil roughly.

AND MOST OF U.S. OIL CONSUMPTION COMES FROM VENEZUELA AND CANADA

Because it's nearer, it's cheaper to get it here. But it doesn't matter because look, if Saudi Arabia stopped pumping oil, the Japanese, for instance, the Asian markets would start buying in Venezuela and Canada, which would drive up the price here. Now what are the Canadians going to do, say: well, we're going to stick with the United States and sell you oil at half price? No, they're going to sell it to Japan for double the price. So that's the way it works and that's why the actual percentages don't really matter.

"So our perceptions over the years of Saudi Arabia as a close ally, as someone there always for our economy, our friends on terrorism and the rest of it – just sunk into the mindset in the United States."

AND WHEN YOU LOOK AT THE ECONOMIC RELATIONSHIP BETWEEN THE TWO, ESPECIALLY HOW THE U.S. REGARDS SAUDI ARABIA, HOW DO YOU SEE THAT REFLECTED, THAT PRIORITIZATION?

Well, you know you'd have to ask a psychologist, but what we're talking about is dependency. And if you look at California, it's addiction with all these SUVs. People drive big cars here, they drive a long way, they depend on paying very little for gas for their lifestyles, to go to work. And any dependency or addiction changes your perceptions, and so our perceptions over the years of Saudi Arabia as a close ally, as someone there always for our economy, our friends on terrorism and the rest of it – just sunk into the mindset in the United States.

YET THIS IS ALSO A COUNTRY THAT THE U.S. DESCRIBES AS ITS, OR HAS DESCRIBED, AS ITS CLOSEST ALLY IN THE MIDDLE EAST EXCEPT FOR ISRAEL.

No. It's a lie. Saudi Arabia has been an economic ally. That's fine, let's don't argue that. That's established. It's been there. But a political ally it hasn't been. If there was any chance of solving the Israeli-Palestinian problem, the Saudis made sure we didn't by funding Hamas and Islamic Jihad, the suicide bombers. The fact that those 15 Saudis that found their way on the airplanes on September 11th were recruited in government-paid-for mosques by government-salaried clerics tells you that the government of Saudi Arabia was complicit in 9/11. There's no way to get around it.

And you can't tell me they didn't know what was going on in those mosques. Did they really not know that the clerics were telling these kids that righteous murder was an obligation as a Muslim? They had to know. And they turned a blind eye, at best they turned a blind eye.

SO TAKE ME BACK TO WHERE THIS STARTED FOR YOU.

I was working at the counter-terrorism centre at CIA and I ran across a trial transcript, which was classified at the time, of the questioning of these young Egyptians, who they were. They weren't in religious studies. A lot of them were in the military, a lot of them were engineers, a lot of them had secular education. And something drove them to join the Muslim Brotherhood and something obviously drove them to assassinate Sadat. This was a suicide operation. They knew they were going to get caught, if not killed at the time.

I started then looking at Saudi Arabia because the Muslim Brotherhood had emigrated there in the '50s, when it was run out by Nasser, 1954. And I noticed there wasn't a whole lot on Saudi Arabia. I mean there was no explanation why the Saudis took these people, what they were doing in Egypt. It was a black hole. I started following Shia fundamentalism and I didn't really come back to Saudi Arabia and the Muslim Brotherhood until 1995 because I had the Iraq experience, where we knew so little about Iraq when we invaded it in 1990, attacked or took back Kuwait in 1990. When we were trying to get rid of Saddam, we knew so little about the country.

And so I was wondering: what else is it we don't know about? So I got into the computers focused on Saudi Arabia to see if anybody in the government was following Saudi Arabia as a subject, like what was happening. There was nothing there.

SO EVEN IN MID-90S, AFTER THE GULF WAR – THERE WAS STILL NOTHING?

There was nothing there, even in the State Department. You know I had picked up more rumours just being in the Arab world. These people, you know Arabs talk about the Saudis all the time – about how rich they are, about the fighting between Crown Prince Abdullah and the Sultan, a defence minister. This is a constant theme of conversation in the Middle East. And yet, when I got to official Washington, there was nothing there.

SO WHEN YOU SEE THIS BLACK HOLE, AS YOU PUT IT, IN AN AREA WHERE ONE WOULD PRESUME THERE'D BE NATURAL CURIOSITY IF NOT SOMETHING MORE URGENT ON THE PART OF THE U.S., AND YOU ALSO KNOW HOW CRUCIAL ECONOMICALLY SAUDI OIL IS TO THE U.S., WHAT'S THE WORST CASE SCENARIO?

Well, it's counter-intuitive. And I'd ask people: the oil analysts, I mean what would happen if we took Saudi Arabia's oil off the market completely in a revolution? And they said, the oil analysts said: we haven't even asked that question. And I said: could it hit \$150? And they said: yeah, why not? With speculation, supply and demand.

SO \$150 A BARREL WOULD MEAN WHAT AT THE PUMP?

I don't know, five or six dollars, something like that. It's huge, there'd be a huge jump in gasoline prices. It would more than double, maybe we could pay \$10 a

gallon – which, of course, I think an economist would tell you it would bring the economy into a recession especially in the United States. But keep in mind that in Europe, there's a high gasoline tax and all you got to do is take that gasoline tax off in a real crisis and people would be pretty much living the same. The governments would go into deficit. But here we don't have that gasoline tax and it'd have a much bigger effect. So why aren't we worried about this?

NOW, IN FACT, DURING THE REAGAN ADMINISTRATION, THERE WERE WORST CASE SCENARIOS.

There were worst case scenarios, but as far as I understand, they were engineers trying to get the Reagan administration to look at it, but not in terms of problems with Saudi Arabia, but problems in Iran because if the Iranians were shooting up tankers, why not go after the source, Saudi oil facilities? And you know Saudi Arabia and Iran were almost at war at that point.

"But keep in mind that in Europe, there's a high gasoline tax and all you got to do is take that gasoline tax off in a real crisis and people would be pretty much living the same. But here we don't have that gasoline tax and it'd have a much bigger effect. "

BUT THE POINT BEING THAT, AS YOU EXTRAPOLATE IT, AS THEY HAD FOUND OUT EARLIER, IT WOULD NOT HAVE TAKEN MUCH TO DISRUPT THE FLOW OF SAUDI OIL.

That was the point. It would have taken so little - this isn't like blowing up fields that you can repair in a couple months, like we did in Kuwait. Well-placed explosives could take down could take down the world's economy.

YET AT THE SAME TIME, THE FACTORS THAT WERE MAKING THAT MORE TROUBLESOME, MORE LIKELY PERHAPS, WERE BEING IGNORED IN WASHINGTON?

Totally ignored. Look, the press can't visit Saudi Arabia, especially – they're starting to open up now because they're scared about all the criticism – the press couldn't visit. The CIA offices there were just keeping the royal family happy and not getting into trouble. State Department was the same way. For the most part, political appointees were sent to Saudi Arabia who would get along, who then left and went into business with Saudi Arabia.

And the one professional they sent there the Saudis didn't like him because he was asking too many questions. He got thrown out. He started asking questions of what was happening in the royal family. And once that came out, and the fact that he has a Persian name, they asked him to leave and Reagan agreed immediately.

I mean look at the difference today, when you got the Saudi ambassador's wife sending money to a Jordanian woman in San Diego. She can't explain why she sent the money to the Jordanian woman, which ends up probably in the pockets of the suicide bombers. And we don't say a word, because we wouldn't, because Bandar is a player in Washington, the ambassador.

I mean don't you see that you know one phone call, our ambassador is thrown out of Saudi Arabia because he's asking questions. And the Saudi Arabia ambassador's wife is sending money to terrorists and there's barely a peep. I mean how obvious can that get?

"What Saudi Arabia depends on the United States for is to protect the Gulf because its army is worthless because it's all based on corruption and bribery and there is no fighting force."

HOW CRUCIAL IS AMERICAN MONEY TO THE SAUDI ROYAL FAMILY?

American money is not crucial to the royal family. The American market for gasoline is crucial. As long as United States consumes as much oil, it will keep the Saudi economy afloat and the price of oil up. What Saudi Arabia depends on the United States for is to protect the Gulf because its army is worthless because it's all based on corruption and bribery and there is no fighting force.

HOW CRUCIAL ARE THOSE ARMS DEALS FOR WHICH THE SAUDIS ARE AMERICA'S BIGGEST CLIENTS?

That's a good question because look, it's very complicated the oil market and an oil expert will explain this much better than I do. But Saudi Arabia's oil sales are transparent. They're logged in at Aramco. So and So went to this refinery, So and So went to Chevron, these many barrels and for this price. And then the money goes into the Saudi budget.

So if you're a prince and you're only making \$19,000 a month, which is third-generation princes, they can't live off that according to their lifestyles. So what they do is they've moved into business and usually military sales, anything with hardware – telephones, AT&T – and they find a commoner and they set up a partnership and the commoner demands from the foreign company, American or any western company, a huge commission. And the Saudi royal family member takes his money out of that commission. So we in the west are complicitous in this system of bribery, of supporting the lifestyles of the royal family – if that makes sense.

WHAT WAS IT BANDAR SAID ABOUT THIS?

Bandar admits it. Bandar says: yes, so we lose billions of dollars in bribery, who doesn't? It's the way the system works. I mean nothing I say is completely out in left field.

I THINK YOU USED THE FIGURE \$400 BILLION, UNIVERSAL FIGURE, OF WHICH \$50 BILLION WENT AS COMMISSIONS OR BRIBES OR CORRUPTION IN ONE FORM OR ANOTHER TO THE SAUDI ROYAL FAMILY.

... I think it's higher. I mean just like unemployment's higher – HIGHER THAN \$50 BILLION –

It's higher than \$50 billion. I know of individual projects in Saudi Arabia that they have charged, on very good information, that they have charged \$5 or 6 billion, charged the state and there's probably been a million dollars' worth of work done.

AND YOU ALSO QUOTE PRINCE BANDAR AS SAYING: WE DIDN'T INVENT CORRUPTION.

Yeah. You know I can't imagine what caused him to say that except arrogance. I mean I think he is arrogant. I mean the fact that he would simply rub the Americans' nose in it and know that there's no repercussions is amazing to me.

NOW THE OTHER ASPECT OF THIS IS THE BENEFIT TAKEN, EVEN AS WE SPEAK, BY FORMER FRIENDS AND MEMBERS OF U.S. ADMINISTRATIONS, WHO HAVE GONE ON TO DEAL WITH THE SAUDIS AFTER THEIR PUBLIC CAREERS ENDED. HOW, AGAIN, HOW IMPORTANT HAS THAT BEEN?

It's very important. I mean it's very important to them. When I wrote this book, former colleagues of mine have come out in the press and said: well, it's not credible, it's exaggerated. But they went to work for the Saudis the moment the left. I know friends of the National Security Council that left an administration on a Friday and on a Monday went to work in a business paid for by the Saudi embassy. I could list their names, it's not even secret. They have become foreign agents when they walk out of an administration.

There's more ways to do it than that. Defence contracts – let's say you're been working on the Middle East for ten years, say Department of Agriculture, Treasury. You know Saudi Arabia, you're starting to get a glimmer of what goes on in that country. You know where the corruption is, you know where the skeletons are. Well, the Saudis don't necessarily have to hire you, but let's say a big defence contractor will to handle the Saudi account. So the money is coming through the defence contractors from Saudi Arabia to hire these people. You know it's a complicated situation.

"But because Saudi Arabia is treated with deference, as they say in Washington, by these people who work for the Saudis, we've looked the other way."

But keep in mind that if these guys in San Diego hadn't been Saudis and they'd been Iraqis, we would have nuked Baghdad the following day on 9/11. We wouldn't even have waited for the U.N. But because Saudi Arabia is treated with deference, as they say in Washington, by these people who work for the Saudis, we've looked the other way. HOW SYMPTOMATIC OF ALL OF THIS IS THE RELATIONSHIP BETWEEN THE Carlyle GROUP AND SAUDI ARABIA? Carlyle Group is just a symptom. They started with a Saudi client, they invested money for the Saudi client in the United States and that's how they got their start. This is all a matter of public record. Secretary of State Baker leaves the administration and goes to work for Carlyle Group.

So it's very chummy. I mean how else can you put it that way? I mean you don't see a single American official, you know for instance leaving the White House and then going to work with the Syrians, for instance, and protecting them. But it's all with the Saudis because they have the money. The Syrians don't.

BUT AGAIN, WE'VE BEEN TOLD THE SAUDIS ARE – APART FROM ISRAEL – AMERICA'S GREAT ALLY IN THE MIDDLE EAST. That's just in defiance of the facts, it's completely ignoring the facts. If you were living in a cave the last three years and I presented you with Powell's presentation on the 5th of February in front of the U.N. against Iraq, and I presented you with the 9/11 Congressional committee report and asked you: who should we have gone to war with, or who did we go to war against? You would have said Saudi Arabia. I mean it is that clear to me.

There wasn't an Iraqi involved in September 11th, there's no evidence there was any connection at all and this is months after the war, months after we've gone through the documentation of Iraqi intelligence. And yet we go to war with Iraq. It's just the mind boggles. For me it does.

AND IN THIS RELATIONSHIP BETWEEN SAUDI ELITE AND FORMER AMERICAN OFFICIALS, HOW PROMINENT WOULD THE BIN LADEN FAMILY HAVE BEEN?

The bin Laden family is very prominent. I mean the bin Laden family did a lot of construction. They sucked up billions and billions, because American companies can't send their own engineers there. They have to hire local companies like the bin Laden company. So bin Laden is very close to American industry. I mean he was you know on September 11th, the Carlyle Group was meeting with the bin Laden family ... in Washington.

"But people aren't catching onto this close connection between the bin Laden family and the Carlyle Group and the president of the United States. You know draw the dots, they're there."

HE TOLD SOMEBODY – TO THIS DAY, IF YOU SAID TO SOME PEOPLE: DO YOU KNOW THAT ON THE MORNING OF SEPTEMBER 11th, 2001, AT THE RITZ-CARLTON HOTEL IN WASHINGTON ... A COMPANY THAT INVOLVED THE PRESIDENT'S FATHER, A FORMER PRESIDENT HIMSELF, AND HIS FORMER SECRETARY OF STATE AND HIS FORMER DEFENCE SECRETARY WERE MEETING WITH OSAMA BIN LADEN'S BROTHER – THEY WOULD SAY: THAT'S CRAZY.

They were, they were meeting there. No one's denied it. I mean this has come out, it's been leaked out, it's been widely covered in the press. But people aren't catching onto this close connection between the bin Laden family and the Carlyle Group and the president of the United States. You know draw the dots, they're there. The facts aren't in dispute. And as well, the Saudi royal family were all allowed to go up in the air on September 11th to leave the country. And they made a call to the White House and said: we want to get out with our airplanes. They set assembly points in Florida, Pennsylvania, places like that. They were allowed to leave the country.

NOW PRINCE BANDAR HAS DEPICTED THAT AS BEING AN ACT OF HUMAN KINDNESS, GIVING THEM THE PROTECTION...

I don't have any problem with the bin Laden family. They're probably as secular as anyone. They're businessmen and they're probably horrified by their brother. But that's not the point. The point is the attitude in Washington. If the Saudis want to send their planes up on 9/11, and we're grounding everybody, they get privilege – more privilege than Americans.

AND WERE THERE INTERVIEWS WITH THE FBI BEFORE THEY WERE ALLOWED TO LEAVE?

No. They just got up and left. It's like this, the FBI has not been allowed to put Saudis on a terrorism list up until September 11th. They were not allowed to ask these people any questions.

WHAT DO WE KNOW ABOUT THE RELATIONSHIP BETWEEN THE SAUDIS, ESPECIALLY THE ROYAL FAMILY, AND OSAMA BIN LADEN?

We don't know a lot. What we do know is, what I know is that in 1996 Sudan offered bin Laden to Saudi Arabia. And you see some people dispute that, but it's silly. And the Saudis told us at that time that bin Laden was much too popular in Saudi Arabia with all classes of people to arrest him. And they tell the Sudanese: we don't care what you do with him.

BUT DID NOT BILL CLINTON AT THE TIME ALSO SAY: WE'RE NOT SURE THAT THERE'S THE LEGAL BASIS FOR THE U.S. TO ACCEPT HIM?

Yeah but that's he's, you know there was no legal basis to invade Iraq either. I mean when does that stop a country from pursuing its national interests, a legal

basis? I mean they could have got bin Laden on conspiracy charges in '96, no question about it, if they had wanted to.

IT HAS BEEN SAID, THAT THERE WAS A KIND OF MENTORING RELATIONSHIP AT ONE POINT BETWEEN PRINCE TURKI AND OSAMA BIN LADEN BACK IN THE '70S.

Look, Osama bin Laden was an ally of the United States through the '80s. He was killing Soviet soldiers. That's what we wanted. We wanted to bring down the Evil Empire. He fit right into our policy. We liked the guy. I'm pretty sure we never met him, but he did exactly what we wanted to do. We were encouraging all these countries, from Jordan to Egypt, the rest of them, to let the Muslim Brotherhood, for instance, go to Afghanistan and fight the Soviets. They were our allies and we handed out the weapons, you know we handed out the money and the weapons and said: go to it.

"Now what happened later on, in the '90s, is the Saudis, who certainly had good intelligence on bin Laden, were not telling us that bin Laden had chosen a new enemy and that was the United States. "

Now what happened later on, in the '90s, is the Saudis, who certainly had good intelligence on bin Laden, were not telling us that bin Laden had chosen a new enemy and that was the United States. Turki was not coming to us and saying: alright, listen, we got a problem with bin Laden. He's coming after you. And also through the '90s, right up until 2001 and after 2001, Saudi Arabia was subsidizing the Taliban, indirectly subsidizing bin Laden. In one case I know about through the World Islamic League, the Saudi government sent money to bin Laden.

IT IS SAID THAT FROM MID-80S TO MID-90S, PRINCE TURKI MET PERSONALLY WITH BIN LADEN ON SEVERAL OCCASIONS – MOST RECENTLY ALMOST IMMEDIATELY AFTER THE KOBAR TOWERS BOMBING. AND IT AGAIN HAS BEEN REPORTED THAT AT THAT MEETING, TENS OF MILLIONS OF DOLLARS WERE GIVEN TO OSAMA BIN LADEN, EFFECTIVELY NOT TO ATTACK SAUDI INTERESTS.

I believe that, but I cannot confirm independently that that's true. I mean I think you have to look at it from the Saudis' point of view. They are buying protection money. And the fact is, they have not been victims of bin Laden. We have. We in the west.

SO ON SEPTEMBER 11th, 2001, WAS IT COINCIDENTAL THAT 15 OF THE 19 HIJACKERS WERE SAUDI?

No, it's not coincidental. It's, look, 15 of these guys were Saudis, alright? But just let's don't stop there. Let's go to Los Angeles, where you had two Saudis that were here in the United States for unexplained reasons. One of them came up to

Los Angeles from San Diego, went to this restaurant, which no one can identify, met two of the hijackers, picks them up, takes them home, puts them in his apartment, finds them an apartment, sets them up in this Islamic community – which, by the way, is funded by a Saudi. We have no idea who he is, he's not under questioning – sends a half a million dollars to set up a mosque and these fake jobs. And then you've got, you go to Germany and the Hamburg cell is financed by a Saudi, who we don't know exactly who he is or where is the money coming from.

So one Saudi is a coincidence. A score of them involved in this is not a coincidence. But how do you put the dots together? How do you draw the lines between the dots? The only people that can do that are the Saudis and they're not doing it. There has not been a single arrest in Saudi Arabia related to September 11th. They've been hauling in the usual suspects, but we don't know who they are.

THE RELATIONSHIP BETWEEN PRINCE BANDAR AND THE BUSH FAMILY...
WHAT WOULD THE CHRONOLOGY OF THAT BEEN?

The chronology is that Bandar was very close to Bush right through Iran-Contra because it was Bandar who paid for part of Iran-Contra. It was Bandar who started the war in Afghanistan. Very close to the Reagan administration. So Bandar has a working relationship with the father and the son. When you know during the elections, when during the first war, Bandar took care of the Bush family. There's been a lot of, you know it's just they're very close. I mean this is what they've admitted to. They're friends. They're "good people," as the Bush call them, Bandar.

WHAT IS IT THAT GEORGE W. BUSH CALLS BANDAR: BANDAR BUSH?

Bandar Bush, yeah, he calls him Bandar Bush. You know that's fine, Bandar's a great ambassador. It works great until you turn a blind eye, until you believe everything Bandar says. And all along Bandar has been telling Bush: we don't have a problem in Saudi Arabia, let's go have a scotch and talk about women or whatever he talks about.

"Bandar's a great ambassador. It works great until you turn a blind eye, until you believe everything Bandar says. And all along Bandar has been telling Bush: we don't have a problem in Saudi Arabia."

YOU DESCRIBE YOU GOING TO LANGLEY, TO THE CIA HEADQUARTERS,
ON YOUR BICYCLE ONE NIGHT.

It's a true story. I'd just come back from Central Asia and lived across the Potomac and I was keeping long hours. The only way I could get any exercise, I only had one car in my family, I used to ride my bicycle up 123, which goes in front of the CIA. But I had to pass by Bandar's house and one time I saw, coming

up the road the opposite direction, all these Suburbans, black Suburbans, tinted windows, lights flashing. And it's Bandar coming home from the embassy.

It kind of was like, it was a huge, a long line of Suburbans and BMWs coming down the road. It looks like the president's convoy. It's probably the only convoy that's bigger. It's coming up, crossing the bridge from Washington, coming up the road. You know for me sitting on a bicycle, it seemed like they were doing 90 mph, but it just whizzes past me and pulls into Bandar's house, which is right on the Potomac below the CIA.

NICE HOUSE?

Gorgeous house. It's the nicest house in Washington. It sits on a cliff, all this fancy security. I mean he's like a proconsul in Washington and he goes wherever he wants, he shows up at the Kennedy Center. He's got his house in Aspen, which I know he paid a million-dollar bonus to the contractor in order to finish by Christmas. I mean what does the guy do in [00:47:01] Aspen? He doesn't ski. But he's moved into that set, you know the Hollywood set in Aspen, the political set. He's become an American figure.

AND WHAT KIND OF ACCESS TO THE WHITE HOUSE DOES HE HAVE?

He's got instant access. He calls them up, says: I'm coming over. He's got instant access to the CIA, anybody he wants. He can summon people. He used to play racquetball with Powell. He can call anybody up at home at any time, which most ambassadors in Washington cannot do.

SO ON SEPTEMBER 11th, 2001, WHEN 15 OR THE 19 HIJACKERS ARE SAUDI, WHEN THERE NOW IS SCRUTINY ON WHAT THE RELATIONSHIP BETWEEN THOSE ISLAMIC RADICALS AND THE SAUDI STATE HAS BEEN AND THE ROYAL FAMILY, WHEN POLLS SHOW THAT THE MAJORITY OF SAUDIS ARE DELIGHTED ABOUT WHAT HAPPENED ON THAT DAY, IS THERE A CHANGE IN WASHINGTON?

No, there's no change at all. I mean what they do is they, it's more window dressing. You know they recently sent the FBI and IRS out to Riyadh, saying: we're going to work together. All you do is you keep on overriding the facts with new messages, change the news cycle. Alright, we've got the FBI and the IRS going out there, they're going to work close to the Saudis, they're going to open up all the books – come on – on commissions and bribery and charities and financing and like that. The Saudis will never do it unless they're forced to. The FBI and the IRS will start wandering back, one by one, and pretty soon there'll be one guy out there, some hapless guy that can't get a meeting in Riyadh. That's the way it's always worked. Look, the interior minister said that 9/11 was the responsibility of a Zionist conspiracy in order to make the Arabs look bad.

THE GIFT OF HIS WIFE OF \$130,000, HOW DID THAT WORK?

This is to the Jordanian woman? Now she, as I understand, she said, Bandar's wife said, and this is Faisal's daughter, King Faisal's daughter. She's very

prominent and comes from a secular side of the family. I tend to believe that she doesn't know what's going on. She said that this woman had written her a letter asking for charity for operations, medical care. But the interesting thing for me is that the woman that was put on the list is a Jordanian and if you know anything about the Middle East, the Jordanians hate the Saudis. And the last thing a Saudi would do is just randomly start writing cheques and putting them in the account of a Jordanian woman in San Diego.

SO AT THE VERY LEAST, IT CAN BE STATED THAT THE MONEY FROM PRINCE BANDAR'S WIFE ENDED UP...

Prince Bandar and his wife indirectly sent money to the hijackers that aided their mission, whether consciously or not, that was the fact.

AND AGAIN, LEGALLY SPEAKING, IF THAT HAD BEEN SOMEONE ELSE IN THE U.S., WHAT MIGHT HAVE HAPPENED?

Well, let's just take it diplomatically speaking. Bandar should have been expelled, declared persona non grata. If an American ambassador in any country in the world – and I'm talking about Europe – had consciously or unconsciously sent money to a terrorist group, a local terrorist group, he would leave in 24 hours. It's diplomatic usage everywhere in the world. And no one would care. If it was Germany, the Germans would say: listen, the guy, we don't believe he did it consciously, but he's got to go. And he would pack his stuff and be gone the next day. He wouldn't even be allowed to pack out. Someone else would pack him out. I mean that tells you how one-sided this relationship is.

IN HIS SPEECH SHORTLY AFTER 9/11 TO THE NATION, WHEN GEORGE W. BUSH SAYS: TERRORISTS, THOSE WHO HARBOUR THEM, THOSE WHO GIVE SUPPORT TO THEM ARE OUR ENEMIES...

That's obviously not true because everybody that financed September 11th is currently in Saudi Arabia and free. I mean it would have been sort of like if bin Laden had said: well, you know it's just a coincidence my guys happened to run into your towers. Are we just going to leave him alone? They are in Saudi Arabia, they're not under arrest and the questioning occurs with the Saudi minister of interior, it's controlled questioning and no documents have been turned over related to these people that have been of any use.

"I think what the most rational explanation is that the White House is afraid of what's going on in Saudi Arabia. It certainly knows that if Saudi Arabia went under and took its oil with it, we'd all be in trouble. "

WELL, THIS VERGES, I GUESS, ON CONSPIRACY THEORY, BUT IS IT TRUELY A PLAUSIBLE ARGUMENT THAT THE WHITE HOUSE, THAT GEORGE W. BUSH IS, IN WHATEVER WAY, TRYING TO DEFLECT

ATTENTION FROM SAUDI ARABIA BY INVADING AFGHANISTAN BY DECLARING WAR ON IRAQ?

I think what the most rational explanation is that the White House is afraid of what's going on in Saudi Arabia. It certainly knows that if Saudi Arabia went under and took its oil with it, we'd all be in trouble. Wolfowitz, Rumsfeld's deputy, said: really the war in Iraq had a lot to do with Saudi Arabia. We had to pull our troops of Saudi Arabia but before we could do that, we had to get rid of Saddam, which was a big threat to Saudi Arabia.

ANOTHER QUOTE FROM THE BOOK: YOU SAY, BASED ON THE TIME YOU'VE SPENT IN THE MIDDLE EAST, YOU HAVE A PRETTY GOOD INKLING THAT THINGS WILL ALWAYS TURN TO THE MOST COMBUSTIBLE IN SAUDI ARABIA. DOES THAT HOLD TRUE TODAY?

It has, yes. As the pressure continues on the royal family, some of it's induced from Washington, some is induced from Israel, it is heading toward a storm. And I've asked people, I said: this is my impression, you know people working in Saudi Arabia today, CIA people. And they said: we give it you know three years it could go under as the princes start dying off and there's conflicts in the family. If Saudi Arabia exists like it is today in ten years, we'll be surprised. It's hard coming up with timelines in the Middle East.

AND DOES THIS REGISTER FINALLY IN WASHINGTON? ARE THEY FINALLY PAYING ATTENTION?

Look, in Iraq, if you just go by the weapons of mass destruction, it's a nice package if you're trying to sell a war, scare people, cash in on the fear of 9/11. There are people in Washington who know that things are not going well in the Middle East. I think they're really worried about Saudi Arabia. No one can afford in Washington to see that country go under today, not before the elections at least.

AND THE PRESUMPTION IS THAT MONEY FROM THE SAUDI ROYAL FAMILY WAS CHANNELLED THROUGH THE IIRO TO AL-QAEDA?

Yes, absolutely. What you have to understand, there is no country of Saudi Arabia. It's a piece of land owned by the royal family. Saudis have no rights. You cannot send money to a charity in Saudi Arabia unless it's approved by the royal family. I mean set up a Jewish charity in Saudi Arabia and try to give money to it. You can't. Saudi Arabia is named after a family, so nothing occurs in that country without the approval of the Saudi royal family.

WERE INTELLIGENCE AGENCIES EXPLICITLY TOLD TO BACK OFF ON SAUDI ARABIA.

No. They weren't specifically told but it's the White House who tells them who to spy on. So the White House National Security Council doesn't say we want to know more about Saudi Arabia. They don't do it.

BUT IF YOU'RE GIVEN THE GENERAL ASSIGNMENT OF TERRORISM, FOR EXAMPLE, AND YOU SEE ALL THE FACTORS FULMINATING IN THE WAY THAT YOU DID...

No it's all top down. It all comes out of Washington. And they are the ones that budget the money; they are the ones that give the orders; they're the ones that ask the questions. So if you're not asked the question about Saudi Arabia you just can't go out and answer it. You don't have any choice in the field. Now let's say I'm in Geneva and I say, listen, we have a great opportunity to recruit a Saudi prince. We're going to finally find out what's happening in the family. I met the guy, he's upset. Let's put this guy on the payroll. He's not on the list.

"No one asked for a national intelligence estimate if Saudi Arabia is a terror state. So I mean it's a sin of omission rather than commission. "

There's a conscious policy not to look into Saudi Arabia and the reason I know that is because they never ask for national intelligence estimates. National intelligence estimates are what – you answer the burning question of the day. So does North Korea have nuclear weapons? You do an NIE national intelligence estimate. It was never done on Saudi Arabia. Even though there had been the bombings in '95, '96, '98, 2000, all involving Saudis, no one asked for a national intelligence estimate if Saudi Arabia is a terror state. So I mean it's a sin of omission rather than commission.

COULD IT REALLY BE THAT EVERYBODY IS SO LIKE-MINDED THAT NO ONE ASKED?

Everybody in politics in Washington thinks they know what's going on in Saudi Arabia because they've all got Saudi partners or friends.

BUT YOU KNOW SOMETHING IS GOING ON BECAUSE 19 AMERICANS JUST GOT KILLED AT THE KOBAR TOWERS FOR EXAMPLE.

They ignore it. It's a psychological you know. They just didn't want to look into it. Exactly. Who were these 12 Saudis arrested? They don't know. Who were the Saudis that were executed for the National Guard barracks which killed five Americans? We never got to talk to them. We don't know. They say oh there's a small group, don't worry about them, we're taking care of it.

NOW MOST OF THE NAMES WE'VE MENTIONED, BAKER, CARLUCCI, THE BUSHES, ARE REPUBLICANS. YET THE EVENTS WE'RE TALKING ABOUT MOST RECENTLY OCCURRED DURING THE CLINTON ERA. SO WERE ALL THE SAME THINGS AT WORK?

The same thing with the Clinton era. There's like a lot of unknown names that I could go through that were taking money from Saudi Arabia. You just look at who represents them, the amount of money they put into lobbying and into law firms, indirectly to the defence contractors which doesn't come up in a list.

AND TO WHAT EXTENT WHETHER IN THE CLINTON ERA OR LATER WITH BUSH BUT TO WHAT EXTENT HAS ALL THIS AFFECTED THE PURSUIT OF OSAMA BIN LADEN FROM BACK IN THE 1990s?

I mean I think it's pretty well established that all the money for 9-11 came out of Saudi Arabia. Even Bin Laden's financier in Saudi Arabia crossed over from Saudi Arabia into Dubai to deposit the money into ATM machines. Who gave him the money? Who's his partner? Who protected him? How did he survive in Saudi Arabia? The money didn't come from Afghanistan. They don't have banks. It came from Saudi Arabia, the Gulf. So we didn't look into these things. And you know, the other thing you've got to keep in mind is 9-11 was preventable.

HOW SO?

Well, two of these Saudis went to a meeting in Kuala Lumpur in January 2000. They were both identified as having been involved in '98, the African bombing and the Kol bombings. They were strongly suspected of trying to carry out other terrorist activities. They were so strongly suspected that the CIA went to the Malaysians and say, give us everything you can on this and the Malaysians did. They traced these guys, who they were, their true names, where they went, who they met with, who funded them. The two guys both have American visas in their passports as the Malays found out as they were leaving. They found out they were going to the United States. They fly to San Diego, end up staying with an FBI informant. But the FBI agents on the ground here don't have any idea because Saudis aren't on the terrorism list. They haven't been warned by the CIA. And then we find out from 2000 on until the attacks that all the hijackers at one time or another were connected. You do a full field investigation and you could have run all 19 names together. The 19 people were in the United States, unexplained reasons, doing something.

"The FBI could have put a full field investigation on them had they known Saudi Arabia was a terrorist state. It could have been prevented. I've got no doubt in my mind."

SO IF SAUDIS HAD AT THAT POINT BEEN NAMED ON TERRORISM LISTS THAT WOULD HAVE BEEN THE KEY.

Then it would have been the key. The FBI agents in San Diego would have gone to Washington and said please do a complete trace on these two Saudis. The trace would have gone over to CIA. It would have gone to the state department, immigration, naturalization service. These guys came in and they went to Kuala Lumpur. They were at a meeting. These are bad guys. The FBI could have put a full field investigation on them had they known Saudi Arabia was a terrorist state. It could have been prevented. I've got no doubt in my mind.

DO YOU BELIEVE SADDAM HUSSEIN HAD CONNECTIONS TO AL QAEDA?

There's no evidence that he had connections at all. There's no evidence at all.

SO SHOULD THE WAR ON TERROR HAVE INCLUDED IRAQ?

No, it was a waste of time. It's going to create more terror, that I assure you of. You have to put yourself in the position of people in the Middle East. An Arab country was attacked unjustifiably. There were no weapons of mass destruction, not that the Arabs really cared ... Israel has got weapons of mass destruction, so why can't the Arabs? But this unjustifiable attack on an Arab country, as despicable as Saddam was that's not what's going to be remembered. And these young people that are going to be recruited into Al Qaeda are going to look at that.

WHAT YOU KNOW ABOUT THE RELATIONSHIP BETWEEN OFFICIAL AMERICA AND SAUDI ARABIA IS THERE ROOM TO SAY THAT MAYBE IT WAS AS SIN OF OMISSION RATHER THAN COMMISSION BUT THERE WAS SOME SORT OF CONSPIRACY IMPLIED THERE.

A conspiracy of silence not to tell the truth. A consent of silence. Everybody agree we're just not going to talk about what's happening in Saudi Arabia because it damages political interests and financial interests in Washington. It's a consent of silence.

IS IT FAIR TO SAY THOSE FINANCIAL AND POLITICAL INTERESTS IN ONE WAY OR ANOTHER LED TO 9-11, AFGHANISTAN AND IRAQ?

Absolutely. Financial interests were – were predominant in Washington. They led to turning a blind eye to what was happening in Saudi Arabia and Afghanistan and contributed to 9-11.

AND THERE WAS NO ONE IN A POSITION OF INFLUENCE OR POWER WHO THOUGHT, IF WE'RE WRONG ABOUT THIS, THERE COULD BE UNTOLD CONSEQUENCES, TERRIBLE CONSEQUENCES.

The only people that complained about it were on the far right or strong supporters of Israel who complained about it. But they were dismissed because they thought they were biased on the whole issue of Saudi Arabia. And there were very few of them. So it was on the margins, these complaints about Saudi Arabia and they didn't really get very far.

"You know, we still do not have a single arrest in Saudi Arabia related to September 11th and I assure you there are some connections to Saudis that are free wandering around Saudi Arabia."

HOW SUBSTANTIALLY HAVE THINGS CHANGED TODAY?

They haven't changed at all. I mean it's still window dressing, you know. You know, we still do not have a single arrest in Saudi Arabia related to September 11th and I assure you there are some connections to Saudis that are free

wandering around Saudi Arabia. And I don't know how high it goes of course. A lot of suspicions but I just don't know.

WHAT HAS BEEN THE RESPONSE TO THIS TO YOU DIRECTLY?

I've got a lot of flak. (chuckle) From the Carlyle Group to Boeing, all these people are going to sue, I don't know what to make of it because I don't belong to any institutes. The New York Times won't review the book. I have no idea why. I've been told that recently. So I think it's very strange.

SO WHEN YOU LOOK DOWN THE ROAD, IF YOU CAN'T FORESEE SAUDI ARABIA STAYING AS IT IS NOW FOR TOO MANY MORE YEARS, WHAT DO YOU SEE?

Well what I see is we better get a coherent, comprehensive energy policy in place. It cannot go on - the current trajectory of American politics in the Middle East cannot continue and not run into some huge problem in the Gulf and I can't tell you when that's going to happen. If it does it's going to be a shock. It's going to be a shock equal to - to the oil embargo in the '70s.

SO WHAT'S YOUR WORST CASE SCENARIO FOR SAUDI ARABIA?

My worst case scenario for Saudi Arabia is fighting starts in the royal family, the Wahabis take over. And to punish the United States and the West they take oil off the market. Tensions go up. They sabotage the facilities, the hardware.

AT ONE POINT IN YOUR BOOK YOU SUGGEST THAT TAKING SAUDI OIL OUT OF THE AMERICAN ECONOMY IS LIKE BLOWING UP THE FEDERAL RESERVE.

It is like blowing up the Federal Reserve or it's sort of like setting off a dirty bomb in Manhattan and closing down the financial district. I mean you survive as a country but completely - you're going to go through a very rough hard period.

ESSENTIALLY WHAT YOU'RE TALKING ABOUT IS BUYING FAVOUR, BUYING UNQUESTIONED - ALMOST UNQUESTIONED INFLUENCE IN WASHINGTON. HOW MUCH MONEY DOES IT TAKE TO DO THAT AND WHERE DO YOU HAVE TO SPEND IT?

I think you spend it everywhere. I mean you just make it known, as Bondar said, that you're willing to spend money and just the promise of money gets people to stop complaining - I mean unless you have an event like September 11th where you can't hide it any longer. So they put money into Clinton's presidential library, undisclosed amount of money, the Saudis did. They sent a huge contribution to the University of Arkansas when he was elected president. It was millions of dollars. What does this tell Clinton when he comes in. Alright the Saudis are ready to spend money. So if they make a mistake I better be damn well sure of it... that mistake ... before I go after them. It better be a political necessity before I go after the Saudis. Otherwise I'm just not going to worry about it. You know, look from the president's perspective. Money runs Washington. It costs \$2 million

to run for Congress at the very least for each election. Where does this money come from?

LET'S TALK ABOUT SPECIFIC AMOUNTS IF WE CAN. LAW FIRMS IN WASHINGTON, BIG LAW FIRMS WOULD GET RETAINERS?

Hundreds of millions of dollars go to law firms.

HUNDREDS OF MILLIONS?

From Saudis or Saudi Arabia.

PUBLIC RELATIONS COMPANIES.

Public relations, ex-Congressmen who come out, they needed lobbying for AWACS, whatever the new weapon system. A lot of the defence contractors, people like that will put money into congressional campaigns at the behest of the Saudis.

WHEN WE TALK ABOUT THE SAUDIS BEING THE FOREMOST CLIENTS OF THE ARMS INDUSTRY IN THE U.S. AGAIN WHAT MAGNITUDE OF MONEY ARE WE TALKING?

We're talking a hundred billion dollars is you know, global. That's at the very least. But there's so many other contracts there or maybe related to the military, maybe they're not. You know, telephone system. And when you have this kind of money in Washington, it talks.

GENERALLY SPEAKING ECONOMICALLY SAUDI DEPOSITS IN AMERICAN BANKS, INVESTMENT IN THE STOCK MARKET.

Citibank can't live without Saudi money. The stock market depends on investors from the Middle East, individuals, the Saudi government. It's an enormous amount of money that we're talking about here.

NOT JUST BILLIONS IN THAT CASE BUT HUNDREDS OF BILLIONS.

... trillions.

TRILLIONS OF DOLLARS.

Talking trillions of dollars that involves Saudi Arabia. And that's not to mention simply if they wanted to raise the price of gas that would cost United States trillions of dollars.

TO WHAT EXTENT IS SAUDI ARABIA THE BIGGEST ARMS CLIENT OF THE U.S?

Biggest foreign arms client in the U.S.

"The stock market depends on investors from the Middle East, individuals, the Saudi government. It's an enormous amount of money that we're talking about here. "

BUT AT THE SAME TIME TO WHAT EXTENT MILITARILY ARE THEY DEPENDENT ON THE U.S. FOR SECURITY?

They're totally dependent on the United States. The American fleet in the Persian Gulf is what protects them. They don't have enough airplanes that fly. They don't have enough competent pilots. They don't have enough tank drivers. They don't have esprit de corps to fight a war in the Middle East. So part of the deal is we provide the protection which the British provided up until the early '70s. We took that over and we are paying, the American taxpayer, to protect Saudi Arabia. JUST GIVE ME A SENSE OF WHAT KIND OF INVESTMENTS AND INVOLVEMENT THERE WOULD BE BETWEEN THE SAUDIS AND CARLYLE. Hundreds of millions of dollars has passed through the Carlyle Group. It's a closed partnership. We don't know how much precisely.

AND HOW DO THE SAUDIS LOOK ON CARLYLE?

Well the Saudis look on the owners of Carlyle as their friends. Baker and Bush saved Saudi Arabia in 1990 from Saddam. They're very close to the father. He's welcome back in Saudi Arabia any time he wants to go there.

IN FACT IT'S BEEN REPORTED THAT WHEN BUSH THE SECOND WAS STARTING BUSTEL CORPORATION OR BUSTEL EXPLORATION I THINK, HIS SEED MONEY CAME IN PART FROM THE HEAD OF BIN LADEN HOUSTON...

No it did come from the Bin Laden family yeah. They were looking for Saudi capital. It's natural for American oil companies, especially the smaller ones, to look for Saudi money. And the Saudis want to put their money into politically well connected companies like to the Bush family.

SO WHEN THE STATE DEPARTMENT DEVELOPS INFORMATION THAT SHOWS THAT 500 MILLION DOLLARS HAS GONE TO AL QAEDA FROM SAUDI ARABIA OR THE DEFENCE POLICY BOARD...

The way it works is Powell calls up Bondar and says, you know, we're getting all these reports and it's in the press about this money going to Bin Laden from Saudi Arabia. What can you tell me about it? Bondar said, listen, you know, some of this stuff leaks. But we're on top of it, don't worry. You know, give us a couple more months and we're going to close this thing and they never do. Because Bin Laden is too popular in Saudi Arabia. The royal family is reluctant to go after its supporters.

BUT COLIN POWELL IS OBVIOUSLY AN INTELLIGENT, INTUITIVE, EXPERIENCED MAN WHO ONE PRESUMES HAS THE GOOD HEALTH AND FUTURE OF THE UNITED STATES AT HEART. WHY WOULD HE TAKE THAT

KIND OF EXPLANATION TIME AFTER TIME WITHOUT – WITHOUT QUESTIONING IT?

It's a good question. I mean why didn't he expel Bondar? You know, let me put it this way. In Canadian terms, if you find out that the American ambassador is funding a separatist movement, his wife is, you know, a French separatist movement, how long would it take for the Canadians to throw him out? Two hours, three hours? He'd be gone. You don't just say, well it's a coincidence, we're sorry, it won't happen again. They're gone. I mean there is no reciprocity in this relationship. And they take Bondar's words at face value.

YOU SAID ISAM FARAS ARRANGED A SPEAKING ENGAGEMENT AT TUFTS UNIVERSITY FOR \$200,000 ...

\$200,000. He went to Tufts, talked for 20 minutes, Powell did. Got \$200,000. The money ultimately came from Saudi Arabia and it's been in the press. No one's denied it.

BUT YOU TRULY BELIEVE, MR. BAER, THAT THAT WOULD BUY COLIN POWELL'S SILENCE? THAT'S ENOUGH. 200 GRAND FOR A SPEECH IN BOSTON.

No it's too strong to say bought his silence because it's just a tendency that's been tried and true in Washington to look the other way for Saudi Arabia.

YOU TELL A STORY ABOUT RICHARD NIXON VERY SHORTLY AFTER HIS INAUGURATION ...

Now I can't confirm the story. But he said Onan Kashogi, another middleman and another arms dealer flew out to San Clemente. This is where Kashogi tells the story and he went in and saw Nixon to congratulate him on his election victory. As he was walking out he intentionally left his briefcase which was filled with a million dollars and walked out the door. Now, did an aide take it? Did Kashogi lie? Did, you know, did the maid find it? I don't know. But the point is, the point of the story was the Saudis believed Washington is for sale. I can assure you that's their attitude because I've dealt with them. Anybody in Washington is for sale. This is the way they feel, this arrogant.

ANYBODY UP TO AND INCLUDING THE WHITE HOUSE.

Including the White House. Hand out a Rolex watch with diamonds, you know. That will buy Americans off. And ... are they wrong? Did we go to war against Saudi Arabia? Did we force them to account for anything on 9-11? No.