

Is U.S. Arms Buildup in Response to Saudi Crisis?

By Peter Dale Scott, poet, former professor of English, University of California, Berkeley, and author of numerous books, including *Deep Politics and the Death of JFK* (1993, 1996).

The current noise in Washington about invading Iraq seems so inane, (“some-what ludicrous,” in the trenchant words of Jordan’s pro-Western King Abdullah II) and the Democratic challenge to it in Congress so feeble, that it is worth wondering whether some other factor, not openly discussed, underlies the current U.S. mobilization in the Middle East. If there is a hidden factor, it is probably the current political crisis in Saudi Arabia, amply reported in the British and Canadian press, but barely (if at all) in the U.S.

The *Ottawa Citizen* reported on August 1, the medical condition of King Fahd, hospitalized in Geneva since 1995 with a massive stroke, is further deteriorating. He has been visited recently by prominent princes in the Saudi royal family, and also by Egypt’s president, Hosni Mubarak and Jordan’s King Abdullah II. As the *Citizen* commented sardonically: “Why the heavy deathwatch, when the affairs of the Saudi state were transferred, years ago, into the hands of King Fahd’s half-brother, the sharp-tongued and generally wits-about-him Crown Prince Abdullah? The short answer is that Abdullah has lost it; lost his control over ‘the mob’ (the 70,000 members of the heroically polygamous Saud family); lost his hold on his country’s fanatic preachers; lost his ability to exile terrorists; lost the thread of regional diplomacy (with his failed peace proposal to Israel); lost the use of the oil weapon (to a supply glut); and made a hash of a proposed \$30-billion development of Saudi Arabia’s natural gas reserves.”

According to the *Observer* (Martin Bright, Nick Pelham and Paul Harris, July 28, 2002) and the *National Post*, Crown Prince Abdullah’s chief opposition now comes from the powerful Sudairy group among the Saudi royal brothers, who once represented the pro-U.S. faction in the royal family, but who have recently turned against the U.S.

The *National Post* stated: “Prince Sultan [Bin Abdul Aziz Al Saud], the Defence Minister [the leading Sudairy brother], has openly criticized Crown Prince Abdullah’s pro-Western policies. Other anti-Abdullah factions in the government have reportedly colluded with Islamic extremists in a wave of bomb attacks against Western targets.”

“According to *The Observer*, Saudi sources have confirmed that the bombings, for which Canadian Bill Sampson has been sentenced to death, were in fact carried out by Islamists linked to al-Qaeda.

“Analysts say implications for the U.S. should the Saudi regime change or dramatically shift its policy are se-

<p>Prince Sultan Bin Abdul Aziz Second Deputy Prime Minister and Minister of Defence and Aviation</p>		<p>Crown Prince Abdullah Bin Abdul Aziz Deputy Prime Minister and Commander of the National Guard</p>
	<p>King Fahd Bin Abdulaziz Al-Saud, son of Ibn Saud (see p. 20), suffered a massive stroke in 1995 and is now reportedly near death.</p>	
<p>Prince Sultan, has openly criticized Crown Prince Abdullah’s pro-Western policies. Other anti-Abdullah factions in the government have reportedly colluded with Islamic extremists in a wave of bomb attacks against Western targets.</p>		

vere. “The Saudis hold the key to whether the U.S. wins or loses the war on Islamic militants,” said Steven Emerson, of the Investigative Project, a Washington-based counter-terrorism institute. “Most of the monies for Islamic militants are generated from Saudi Arabia. They could shut them down if they wanted to, or open the faucet even more.”

On August 1, eight Western oil majors strengthened Prince Abdullah’s hand by finally concluding a long-disputed agreement for exploitation of Saudi Arabia’s natural gas fields. But this may not be enough to counterbalance the humiliating rebuff dealt to the Crown Prince by President Bush, when the so-called Bush peace plan for the Middle East, heavily tilted towards Sharon’s thinking, made no reference to Prince Abdullah’s peace proposal whatsoever.

Bush’s failure appears to have concerned even his chief ally, the United Kingdom. In the words of *The Observer*, “The Foreign Office believes that the failure of Abdullah’s recent Middle East peace plan could have terminally undermined his position.”

The result, as *The Observer* reports in a second article, is that: “The kingdom is now a key battlefield in the conflict between America and its allies and the forces of extremist Islam. It is a conflict that is now threatening to tear Saudi Arabia apart. Revolution is in the air.

“The Western community [in Saudi Arabia] is living in fear. It has been the target of a series of bomb attacks by al-Qaeda-linked terrorists who want to drive all non-Muslims out of the Arabian peninsula. Terrified Westerners have received little help from the Saudi authorities.”

The U.S. may hope that it can weaken royal support for anti-American protests, by its war preparations in the Middle East, including the timely regrouping of U.S. forces from Saudi Arabia to neighboring Qatar. Alternatively, it may have to use them.

Source: August 3, 2002. <socrates.berkeley.edu/~pdscott/qfsaud.html>

Saudi Arabia: The Sarajevo of the 21st Century?

By Michael C. Ruppert, former narcotics officer with the Los Angeles Police Department and now publisher of the "From the Wilderness" website.

The global horrors of the First World War — the war to end all wars — began with the assassination of Archduke Francis Ferdinand in Sarajevo in 1914. The apocalyptic war of the 21st century may have begun with a \$1 trillion lawsuit filed in the U.S. by 9-11 victim families against Saudi Arabian banks and members of the Saudi royal family. In what may be the opening salvos of a financial and energy apocalypse, the *Financial Times* (August 20, 2002) reported that wealthy Saudi investors had begun a run on their U.S. banking deposits that may have taken as much as \$200 billion out of U.S. banks.

These massive withdrawals — out of an estimated \$750 billion in Saudi U.S. investments — occurred within days of the August 15 filing of the suit. Ironically, the principal attorneys in the suit are all political insiders and, in one case, a member of the Council on Foreign Relations.

Why was Saudi Arabia not a focus of U.S. action and serious media attention in the immediate aftermath of September 11 even though there were so many obvious connections? Why is Saudi Arabia now so prominently a focus of what is an apparently government-approved U.S. animosity?

On the eve of a U.S. invasion of Iraq, the deployment of U.S. military personnel in the region is also a convenient placement of resources for what may be a one-two punch to take over a tottering kingdom that owns 25% of the planet's oil, at the same time that Saddam Hussein is removed from power in a country that controls another 11%.

Much of Saudi Arabia's wealth is invested in U.S. financial markets and its sudden loss could devastate the U.S. economy. But Bush brinkmanship is making possible a scenario where Saudis long-loyal to U.S. markets cut off their own arm in a coyote-like effort to free themselves from a trap that threatens the stability both of their kingdom and the global economy.

Osama Bin Laden is a Saudi. Fifteen of the 9-11 hijackers were Saudi. There has also been a clear financial trail showing Saudi support for the Al Qaeda. As noted by Jean Charles Brisard and Guillaume Dasquié in *The Forbidden Truth*, Al Qaeda's financial support network is a virtual cut-and-paste reincarnation of Pakistan's Bank of Commerce and Credit International (BCCI), known for terrorist, drug and CIA connections in the 1980s.

One of BCCI's former executives, Khaled bin Mafouz, remains the banker for the Saudi royal family today. Both he and Saudi Arabia's former intelligence chief, Prince Turki (removed just before September 11, after 25



years of liaison with bin Laden), have been discussed repeatedly, if obliquely, in the media since then.

After months of strenuous and repeated assertions by the Bush administration that Saudi Arabia was a key ally in the war on terror, someone has suddenly turned on the tap for anti-Saudi propaganda and the mainstream media are eating it up.

On June 20, the Jang group of newspapers in Dubai reported that Al Qaeda networks were active in Saudi Arabia. This followed a June 18 story that a group linked to Al Qaeda had been arrested inside the kingdom and charged with planning attacks on Saudi government installations.

On July 18, the BBC reported that Saudi Prince Nayef Bin Sultan Bin Fawwaz Al-Shaalan had been indicted by a Miami court for smuggling 1,980 kilos of cocaine on his private jet in 1999.

On July 28, Britain's *The Observer* released a story headlined, "Britons left in jail amid fears that Saudi Arabia could fall to al-Q'aeda." The lead paragraphs read:

"Saudi Arabia is teetering on the brink of collapse, fuelling foreign office fears of an extremist takeover of one of the West's key allies in the war on terror."

"Anti-government demonstrations have swept the desert kingdom in the past months in protest at the pro-American stance of the de facto ruler, Prince Abdullah.

"At the same time, Whitehall officials are concerned that Abdullah could face a palace coup from elements within the royal family sympathetic to al-Q'aeda.

"Saudi sources said the Pentagon had recently sponsored a secret conference to look at options if the royal family fell.... Anti-Abdullah elements within the Saudi government are also thought to have colluded in a wave of bomb attacks on Western targets by Islamic terrorists."

The story concluded by stating that feuding between factions in the Saudi court was going to increase with the death of King Fahd who was unstable in a Swiss hospital.

The story quoted Saudi dissident Dr. Saad al-Fagih who declared, "There is now an undeclared war between the factions in the Saudi royal family." On the same day, a

lengthy essay in *The Asia Times* by Ehsan Ahrari observed, “[Prince] Sultan is believed to be a preferred U.S. candidate for the Saudi throne.” Abdullah is the crown prince, not Sultan.

On July 29, Stratfor, a global intelligence reporting and analysis service, reported that a feud was brewing between Saudi Arabia and neighboring Qatar over Qatar’s willingness to openly support the U.S. invasion of Iraq. Qatar is nearly sinking under the weight of pre-deployed military equipment and has a brand new state-of-the-art U.S. Air Force Base.

On July 30, an *Agence France Presse* report describing the recent deaths of three Saudi princes in eight days. Prince Fahd bin Turki died of thirst in the desert (July 30). Prince Sultan bin Faisal died in a car crash (July 23), and Prince Ahmed bin Salman died of a heart attack (July 22).

On August 1, *The World Tribune* reported that Saudi Arabia had been acquiring long-range ballistic missiles, and nuclear weapons from Pakistan.

On that same day, Saudi dissident Dr. al-Fagih stated on the Australian Broadcasting Corporation program “Lateline”: “Prince Abdullah who is supposed to be the next in charge, the next King, would not accept to appoint Prince Sultan as Crown Prince and Prince Sultan insists that he should be the next in line for Abdullah to be [king].” Al-Fagih predicted the imminent death of the ailing King Fahd and noted, “That’s why probably the foreign office has expected some major thing happening in the next few weeks.... Prince Abdullah is in charge of the national guard and Prince Sultan is in charge of the army, and either will use his own force to fight the other...for power. They will use all elements of the population.”

Al-Fagih said that all information is thoroughly controlled and the regime maintains the appearance of complete control. Almost all Saudis dislike the corrupt regime for a multitude of reasons. But, said the doctor who once served with Osama bin Laden in the Afghan war, “Once this psychological barrier is broken, either by a dispute of the royal family, or by a financial collapse, you would expect a major act by the people against the regime.” He also noted that the Saudi people’s dislike for the U.S. was intense because of its unremitting support of Israel and also because the U.S. had maintained a military presence on Saudi soil long after the Gulf War.

Then, on August 6 the *Washington Post* reported that on July 10, a top Pentagon advisory group had received a briefing from Rand Corp. analyst Laurent Murawiec describing Saudi Arabia as an enemy of the U.S. and threatening seizure of its oil fields and financial assets if it did not stop supporting terrorism.

The Pentagon group which received the briefing, the Defense Policy Board, is headed by renowned hawk Richard Perle. Although Colin Powell downplayed its significance, it received heavy-handed media play for several days. Subsequent reports stated that Vice President Dick Cheney’s staff had “embraced” the report.

On August 7, Saudi Arabia made clear and unequivocal pronouncements that it would not be used for an invasion of Iraq.

On August 14, Reuters reported that King Fahd, who

had just been moved to Spain was in failing health and possibly near death.

On August 15, amidst massive day-long publicity, a \$1 trillion lawsuit was filed against various Saudi interests for liability in the 9-11 attacks.

Included among the defendants were the Saudi Bin Laden Group of companies (previously connected through the Carlyle Group to Bush family finances), seven banks, eight Islamic foundations, a number of charities, the government of Sudan and three Saudi princes (Turki Faisal al Saud, Prince Sultan bin Abdul Aziz and Prince Mohamed al-Faisal).

This new suit eclipsed three earlier suits, largely ignored by the major media, filed by victim families charging various degrees of liability and/or complicity by the U.S. government. The key lawyers in the case have a history of close affiliation with the Republican Party, the Bush family and/or the Council on Foreign Relations.

The instability in Saudi Arabia may well be just the end result of internal decay and rot. But the consequences and implications of Saudi Arabia’s current crisis are far deeper once one examines the financial threat that Saudi chaos might unleash.

Like the U.S., the Saudi economy is in tatters. Like the U.S. economy it needs only one thing to keep it afloat — cash.

The Saudi government rightly fears a quickly successful U.S. invasion of Iraq. A first inevitable consequence would be serious anti-American protests from the Saudi population.

The second inevitable consequence would be an almost immediate increase in Iraqi oil production, which would result in a price reduction that might break the back of OPEC and dramatically reduce oil income.

Seeing the U.S. economy on the brink of collapse, the Bush Administration, facing elections in November and a potentially disastrous 2004 presidential election, must do whatever it takes to keep itself in power. For this administration, so hugely populated by oil men (and woman), cheap oil is the obvious first choice.

Saudi Arabia seems to have seen this coming for some time. In April, the Saudi government announced that it was considering privatizing parts of Aramco, the Saudi national oil company, and selling off some of its operations to Exxon, BP-Amoco, Shell and other major companies. Though little has been disclosed since then, this move would benefit the Saudis in two big ways.

First, it would give Western companies an equity stake in the stability of the monarchy, making it difficult for the U.S. to consider bombing or embargoing operations owned by western companies. Secondly, it would generate large amounts of cash to offset declining economic growth, rising unemployment and declining per capita income, according to Stratfor on April 29, 2002.

The oil-based standoff is mirrored by what is effectively a much more successful financial deterrent — the Saudis ability to wreck the U.S. financial markets should they see their situation become utterly desperate.

Source: “From the Wilderness” website, August 21, 2002. <www.fromthewilderness.com>

Saudi Oil, Nazi Power, the CIA and Bush Family Profits

By Richard Sanders, coordinator, Coalition to Oppose the Arms Trade

The *Secret War Against the Jews* (New York: St. Martin's Griffin, 1994), by John Loftus and Mark Aarons, is excellent reading for anyone trying to understand why the world is poised, once again, on the brink of war.

Loftus and Aarons begin with the story of Jack Philby. Although history seems to have forgotten Jack, his son Kim is well-remembered as an infamous communist double agent who betrayed Britain. The authors explain that Kim was "originally recruited by Moscow to spy on his father and Ibn Saud." *Why?* Because Jack played a key role in making Ibn Saud the first king of Saudi Arabia and together they helped build the Nazis' rise to power.

Jack began his career in the British civil service in India, but was dismissed for sexual misconduct. He was, however, soon recruited by MI6, the British secret service, in 1915.

His first posting was in Baghdad, which was to become the capital of a newly created state, Iraq. In 1917, Philby "was given charge of the operation that would change the rest of his life. He was sent on a supposedly minor political mission to Ibn Saud."

Lawrence of Arabia, the famous British agent, had been urging Britain to use Sharif Hussein as a "useful puppet head of the Moslem nation, but united only on paper. The Arabs would 'remain in a state of political mosaic, a tissue of small jealous principalities, incapable of cohesion.'" The British, through Lawrence, had convinced Hussein to bring together Arab fighters to oust their Turkish rulers. However, Ibn Saud and his ultra-conservative Wahhabi sect (of which Osama Bin Laden is now the most well-known representative), "was sending terrorist raids" against Britain's choice as Arab leader, i.e., Sharif Hussein.

Philby "secretly joined forces" with the Wahhabis and helped make Ibn Saud king of the state that still bears his family name. Philby gave Ibn Saud "the intelligence information that ensured military victory for the House

of Saud against Arab leaders supported by the British government." Philby helped create the Arab Legion, an "armed force under British direction, ready for the (eventual) battle against the Zionist interlopers.... Ibn Saud's forces captured Mecca and Medina by force in 1924 and 1925. [He] became king in 1926, with Philby as his trusted confidential and financial adviser."

Around this time, Allen Dulles appears on the scene. Dulles later worked for the OSS, the precursor of the CIA. It was in that role, before World War II had finished, that he re-



Ibn Saud, the first Saudi king, was enthroned by UK and U.S. spies who then helped him export oil to build the Nazi war machine.

cruited top Nazi spy, Reinhold Gehlen to work for the U.S. against the Soviets. Thousands of other top Nazis eventually joined "The Gehlen Org" within the CIA. Dulles oversaw coups and covert operations in Iran (1953), Costa Rica (1954), Guatemala (1954), Indonesia (1958) and Tibet (1958). In 1961, after his failed "Bay of Pigs" invasion of Cuba, Dulles was ungraciously fired as Director of the CIA by John F. Kennedy. Dulles was soon leading the Warren Commission in covering up JFK's assassination. Many have since argued that Dulles was probably involved in that domestic U.S. coup. Having overseen many an assassination and "regime change," he certainly knew how to arrange it. But, we are getting ahead of ourselves. Let's get back to the appearance of Dulles in Saudi Arabia and his alliance with Philby and Ibn Saud.

Loftus and Aarons make these key points:

- In the 1920s, "Jack Philby recruited Allen Dulles, first as his agent to influence U.S. policy against the Jewish homeland and then as his secret partner in the development of Saudi Arabian oil.
- With Dulles's help, Philby ensured the economic and political survival of Ibn Saud by creating a partnership with U.S. oil companies, allied against British interests and in favor of Nazi Germany.
- In the 1930s, Dulles established an interlocking financial network among major Nazi corporations,



Adolph Hitler, rose to power thanks to a massive influx of investments from U.S. multimillionaire bankers and oil executives.

U.S. oil men and Saudi Arabia.

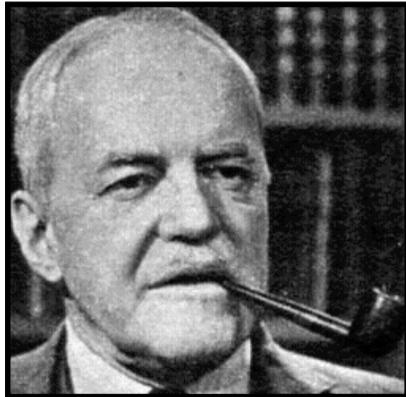
- Dulles led a team of U.S. and British investors that funded the early Nazi party and continued to do business with the Third Reich throughout World War II."

Loftus and Aarons note that: "The Nazis would have remained a minor political party, and Germany would have remained a cash-starved country, weaponless and powerless, but for a massive influx of outside investment capital. The most important event of this period was the alliance between U.S. oil companies and Saudi Arabia. It was the indispensable precondition for war and the Nazi Holocaust.... The history books do not even mention the secret partnership of Ibn Saud, Jack Philby and Allen Dulles. Together they were the secret source of oil, wealth and international influence that worked behind the scenes to put Hitler onto the world stage.... The partners in oil were profoundly evil men who bore substan-

tial responsibility for the Holocaust but escaped the judgment of history.”

During the war, Dulles’ used Saudi oil to blackmail both Britain and the U.S. He amassed a huge fortune for himself, and his clients, like Ibn Saud, Standard Oil and I.G. Farben. Then, at the end of the war and after it, he helped smuggle top Nazi spies out of Germany to work for the CIA, and “directed the smuggling of Nazi money back to his Western clients.”

Many wealthy U.S. bankers and industrialists worked with Dulles to fundraise for fascism. They built their personal wealth on Arab oil and Nazi slave labour camps. Among these



Allen Dulles, a Wall Street lawyer who coordinated U.S. financial support for Nazism, made millions and became CIA director.

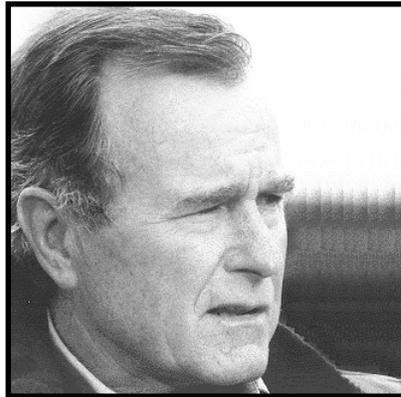
multimillionaires were the grandfather and great grandfather of President George W. Bush, i.e., Prescott Bush (the father of former President, George Herbert Walker Bush) and George Herbert Walker (Prescott’s father-in-law). George W., and his father, were both named after G.H.Walker, who Loftus and Aarons describe as “one of Hitler’s most powerful financial supporters in the U.S.”

Both G.H.Walker and Prescott Bush “worked with Allen Dulles to finance the Third Reich and then, when war broke out, cloaked their activities under the cover of intelligence operations.” They were eventually charged with running Nazi front groups in the U.S. “The U.S. government found that huge sections of Prescott Bush’s empire had been operating on behalf of Nazi Germany and had greatly assisted the German war effort.” G.H.Walker was the President of the Union Banking Corp., an affiliate of Brown Broth-

ers, Harriman, a bank specializing in getting U.S. millionaires to invest in Germany. Loftus and Aarons describe Union Banking as “an out-and-out Nazi money-laundering machine.”

In 1942, their shares in Union Banking were confiscated by the U.S. government, under the “Trading with the Enemy” Act. But after the war, they got their money back. Their treasonous role in financing the Nazis was quickly buried and “they volunteered to become spies for the war effort.” G.H.Walker became an advisor on covert “psychological operations” for Supreme Allied Headquarters in London.

Prescott’s share in Union Bank-



G.H.W. Bush, started in business using money from his dad's and granddad's close ties to Dulles and Hitler. Became CIA director.

ing was 1.5 million. In 1951, he used that money to “help his son, George Herbert Walker Bush, set up his first royalty firm, Overby Development Company.”

In “The Dutch Connection: How a famous American family made its fortune from the Nazis” (www.john-loftus.com), Loftus says: “There is no question that the Bush family needs to donate at least \$1.5 million to the proper holocaust reparation fund. Since Prescott Bush is dead, the only way to compensate is for the main inheritors of his estate to make amends with surviving slaves and the families of slaves who died in Bush and Thyssen’s coal mines. If the Bush family refuses to contribute the money to compensate for Prescott Bush’s involvement in the Holocaust, it is like denying the Holocaust itself and their role in one of the darkest moments in world history” (Sep. 27, 2000).

As Loftus and Aarons trace the

history of covert operations in the Middle East through to the Reagan-Bush era and the Iran-Contra scandal, they note: “Every evil thing that happened behind the scenes in the Holocaust and the Cold War happened again.... Like a great stage shrouded in darkness, the play went on with new characters playing the same parts, acting out the same scenes. Only the names on the playbill are different.”

Learning about the origins of Saudi Arabia and its pivotal role in global politics, we realize that oil is as valuable today for the smooth running of a war machine as it was during the first and second world wars.

History certainly does repeat itself. President George Walker Bush, his fellow multi-millionaire oil barons and their allies in “intelligence” agencies are now poised on the brink of another war to affect “regime change” in the Middle East. In doing so they hope to boost their own personal profits and maintain their grip on domestic power.

This is summed up succinctly by Major General Smedley Butler of the U.S. Marines who for decades had helped lead many wars in Latin America and elsewhere. In retirement, he became a great whistleblower, eloquently exposing the crime of war profiteering. In 1935, he wrote in *Common Sense*, a socialist magazine: “War is a racket. It always has been. It is possibly the oldest, easily the most profitable, surely the most vicious. It is the only one international in scope. It is the only one in which the profits are reckoned in dollars and the losses in lives. A racket is...something that is not what it seems to the majority of the people. Only a small ‘inside’ group knows what it is about. It is conducted for the benefit of the very few, at the expense of the very many. Out of war a few people make huge fortunes.”

One can only hope that the hidden truths of history, such as those uncovered and elucidated in such glowing detail by Loftus and Aarons, will someday become common knowledge. And the sooner the better. An understanding of this history of corporate and military secrets can only help to shed much-needed light on the lies now being spread to cover up past scandals and to cloak the real reasons for an invasion of Iraq.

Losing Control of Saudi Arabia

By John Pilger, war correspondent, author of *The New Rulers of the World* (2002) and documentary filmmaker, most recently, "Palestine is Still the Issue" (2002).

These days, various Saddam Hussein look-alikes are to be seen being greeted at the Foreign Office. Several are generals who served under the tyrant and would, if there was international justice for the West's friends as well as its enemies, be convicted of war crimes. A new, obedient thug is being groomed to rule Iraq – the "prize" on which the insatiable economies of the developed world, especially the U.S., rely.

Why is there an urgency about this attack? Is it true that the Bush administration needs something to go right with its rampage against "terror." There is another reason, which is seldom reported. This is the dire state of the world's number one source of oil, Iraq's neighbour, Saudi Arabia. This medieval throwback is America's most important client in the region, almost as important as Israel; and Washington is losing control.

Saudi Arabia is also the home of al Qaeda, most of the September 11 hijackers and Osama bin Laden. Its importance to the U.S. is demonstrated in the close ties of many in the Bush administration with "big oil" and the Saudi sheikhs. George Bush Sr., a consultant for the giant oil [and military] industry, Carlyle Group, has met the bin Laden family on several occasions.

Not surprisingly, no U.S. bombs fell on Saudi Arabia. Impoverished Afghanistan was the easy option that the U.S. prefers.



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Because of the U.S. connection with Saudi Arabia, the reaction and opposition within the deeply fundamentalist kingdom has been growing. Al Qaeda probably enjoys support or influence among a majority of the ruling families. The Americans are desperately urging the caretaker ruler, Prince Abdullah, to "modernise" – at present, women are not allowed to drive and you can lose your head for apostasy. But the U.S. pressure is having the opposite effect; popular support for al Qaeda is unabated.

Source: Excerpt from "Iraq: Lying Game," *The Guardian*, Aug. 27, 2002. <pilger.carlton.com/print/114886>

Covering Up Saudi Support for Terror

The U.S. government has been covering up FBI evidence of a massive Saudi network to finance terrorist fronts and anti-Semitic groups in the U.S., according to a lawsuit filed in a Florida court by former U.S. prosecutor John Loftus.

The suit targets Kuwaiti national Sami Al Arian, a professor who was suspended from a Florida University amid charges that was a liaison of the Iranian-sponsored Islamic Jihad of Palestine. In his suit, Loftus charges that the Justice Department has refused to prosecute Al Arian despite

acquiring substantial evidence to show that Al Arian had committed numerous crimes, including mail and tax fraud.

The reason for the hands-off approach, Loftus said, is that prosecution of Al Arian would disclose that he was a "small, but significant part of a global money laundering network operated under the guise of purported U.S. charities run by the government of Saudi Arabia."

The Saudi terror network supports Islamic Jihad, Hamas, Hezbollah and al Qaida.

Loftus, who cites "confidential client sources," said the State Department asked Justice to terminate a 1995 criminal investigation of Al Arian after the discovery of Saudi involvement. The pressure by State on the FBI grew so great that a key agent, John O'Neill, quit the FBI in protest.

"The government of Saudi Arabia has used their charitable fronts in the U.S. to fund hate groups, racist organizations and terrorist operations like defendants within the U.S. for the last thirty years," the suit reads.

Loftus made his reputation as a tenacious hunter of Nazi war criminals in America and for the last 20 years has been a gadfly of the U.S. intelligence community.

Source: <www.john-loftus.com/terror_saudi.htm>

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Coalition to Oppose the Arms Trade

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Greed for Oil Fuels Saddam Fever

By Anthony Sampson, author of *Sovereign State of ITT* (1974), *Seven Sisters* (1976) and *Arms Bazaar* (1978).

Is the projected war against Iraq really turning into an oil war, aimed at safeguarding Western energy supplies as much as toppling a dangerous dictator and source of terrorism? Of course, no one can doubt the genuine U.S. hatred of Saddam Hussein, but recent developments in Washington suggest oil may loom larger than democracy or human rights in U.S. calculations.

The alarmist briefing to the Pentagon by the Rand Corporation, leaked in early August, talked about Saudi Arabia as 'the kernel of evil' and proposed that Washington should have a showdown with its former ally, if necessary seizing its oilfields which have been crucial to U.S. energy.

The more anxious oil companies become about the stability of Saudi Arabia, the more they become interested in gaining access to Iraq, site of the world's second biggest oil reserves, which are denied to them.

If Saddam were toppled, the Western oil companies led by Exxon expect to have much readier access to those oil reserves, making them less dependent on Saudi oilfields and the future of the Saudi royal family. President Bush and Cheney, both oilmen, cannot be unaware of those interests.

Of course, Western policies towards Iraq have always been deeply influenced by the need for its oil, though they tried to be discreet about it. The nation of Iraq was invented in 1920, after the World War I. The allies had 'floated to victory on a sea of oil' (as British Foreign Secretary Lord Curzon put it), but they preferred to conceal their dependence on it: 'When I want oil,' said French Prime Minister Clemenceau, 'I go to my grocer.'

Both Clemenceau and Curzon, while they talked about Arab interests and self-determination, knew that what really mattered in Iraq was the oil that was emerging in the North; and the British and French succeeded in controlling the precious oilfields at Mosul.

Iraqi oil became still more de-

sirable after the oil crisis of 1973 which enabled the Arab producers to hold the world to ransom; and the discovery of huge new oil reserves in the South made Iraq more important as a rival to Saudi Arabia — and Saddam more exasperating as an enemy.

It is true that since the 1970s, as the shortage turned into glut, producing countries have become much more dependent on the global marketplace. Countries which hoped to develop political clout by allocating oil supplies soon found they had to compete to sell their oil wherever they could. And Western companies developed new oilfields nearer home, or in friendlier countries.

The more anxious oil companies become about the stability of Saudi Arabia, the more they become interested in gaining access to Iraq, site of the world's second biggest oil reserves, which are denied to them.

But the U.S. and continental Europe still depend on uncertain developing countries, mostly Muslim, for much of their energy, and in times of crisis the concern about oil supplies returns. Western oil interests closely influence military and diplomatic policies, and it is no accident that while American companies are competing for access to oil in Central Asia, the U.S. is building up military bases across the region.

In this security context the prospect of a 'terror network' controlling Saudi Arabian oil, which the Rand Corporation briefing to the Pentagon conjured up, presents the ultimate nightmare: a puritanical Islamist regime in Saudi Arabia, and perhaps in other Persian Gulf states, would be prepared to defy the marketplace, with much less need to sell their oil than corrupt monarchies or sheikhdoms. Bin Laden, himself a Saudi, made no secret of his overriding ambition to rid his country of corrupt rulers and return to its austere Islamist roots.

In this scenario, the U.S. would be more determined to get access to oil in Iraq, and the demands to topple Saddam would be reinforced.

There are undoubtedly many different and sometimes conflicting strands behind Washington's attitudes to Iraq. Certainly the public sense of outrage about September 11, and the fear of terrorism, remains the most potent political force behind the moves against Saddam — reinforced by Israel's dread of Iraq's weaponry.

But there are also the longer-term geopolitical arguments in the Pentagon and the State Department, with commercial pressures behind them, about the need for energy security. And these have become more urgent with the growing worries about the Saudis.

The crucial question remains: Would toppling Saddam safeguard Iraq's oil for the West? After all, both previous U.S. Presidents — Clinton and Bush Sr. — were persuaded not to overthrow Saddam, because the alternative could well be a more dangerous power vacuum. That danger remains. If Iraq were to split into three parts, as many expect, the new oil regions in the South might be become still less reliable, in a region dominated by Shia Muslims who have their own links with the Shia in Iran. And, a destabilized Saudi Arabia could make a power vacuum still more dangerous.

The history of oil wars is not encouraging, and oil companies are not necessarily the best judges of national interests. The Anglo-American coup in Iran in 1953, which toppled the radical Mossadeq and brought back the Shah, enabled Western companies to regain control of Iranian oil: but the Iranian people never forgave the intervention, and took their revenge on the Shah in 1979.

The belief that invading Iraq will produce a more stable Middle East, and give the West easy access to its oil wealth, is dangerously simplistic. Westerners live in a world where most of their oil comes from Islamic countries, and their only long-term security in energy depends on accommodating Muslims.

Source: *Observer*, Aug. 11, 2002.