

Richard Perle's 'Sheikhdowndown' Draws Fire

By Our Special Correspondent

The Richard Perle Saudi extortion scheme which *EIR* reported on March 21 ("Cheney and Perle To Go Down Like Ollie North?"), is rapidly turning into a major international scandal, which could sink the neo-conservative icon, and implicate Vice President Dick Cheney and his family in serious charges of conflict of interest and imperial nepotism.

As first reported in a March 17 *New Yorker* article by Seymour Hersh, Perle, the chairman of the Defense Policy Board, a Pentagon advisory group that has become a powerhouse under the Donald Rumsfeld dynasty, held a lunch meeting on Jan. 3 with two Saudi businessmen—the notorious Iran-Contra middle-man Adnan Khashoggi, and Iraqi-born Harb al-Zuhair—at a restaurant in Marseilles. Perle, according to Hersh's account derived from interviews, made a pitch to the men to line up a group of Saudi investors, to kick in a total of \$100 million to a security technology firm, Trireme Partners L.P., which Perle had set up in November 2001, right after the Sept. 11 attacks in New York and Washington.

When word of the meeting reached the Saudi royal family, Hersh wrote, "they reacted with anger and astonishment"—understandably so. From his power perches at the Defense Policy Board, the American Enterprise Institute, the Hudson Institute, and the media cartel of Lord Conrad Black's Hollinger Corp., Perle had been waging a one-man war against the House of Saud, practically accusing it of being the hand behind Osama bin Laden, al-Qaeda, and the 9/11 attacks. Never mind what former FBI Director Louis Freeh had told *New Yorker* writer Elsa Walsh, in an interview, published on March 24, concerning the Saudi royal family: "From where I sat and from what I knew, al-Qaeda was more a threat to them than to the U.S., particularly prior to East Africa [the Aug. 7, 1998 bombings of the U.S. Embassies in Kenya and Tanzania], because of bin Laden's earlier activities. His whole focus was on toppling the royal family and getting the U.S. forces out of Saudi Arabia. The notion that the Saudis pulled their punches is not consistent with anything I knew or saw there."

On July 10, 2002, Perle brought in then-RAND Corp. "senior analyst" Laurent Murawiec—a paid propagandist for Russian "Mafiya" godfather Marc Rich—to tell the Defense Policy Board that Saudi Arabia was an enemy of America and to propose that the United States should seize the Saudi oil fields. (Murawiec is now at Perle and Black's Hudson Institute's D.C. office.) In a Spring 2002 article in the Hollinger *Jerusalem Post*, Hudson Institute figure Max Singer had demanded the United States annex the Eastern Province of Saudi

Arabia, where most of its oil deposits are found, leaving the House of Saud and Saudi Arabia's Wahhabi clergy to administer the holy sites of Mecca and Medina. On June 18, 2002, Hudson and the Aspen Institute Berlin had co-sponsored a Saudi-bashing session on Capitol Hill, hosted by Sen. Sam Brownback (R-Kan.), a promoter of the "Clash of Civilizations" lunacy of Bernard Lewis and Samuel Huntington.

Akiva Eldar, the well-respected investigative reporter for Israel's *Ha'aretz* daily, provided an account of the July 10 Defense Policy Board briefing: "A few weeks ago," he wrote on Oct. 1, 2002, "Richard Perle invited the Pentagon chiefs to a meeting with researchers from a Washington think tank with particularly close relations with the Defense Department. According to information that reached a former top official in the Israeli security services, the researchers showed two slides to the Pentagon officials. The first was a depiction of the three goals in the war on terror and the democratization of the Middle East: Iraq—a tactical goal; Saudi Arabia—a strategic goal; and Egypt—the great prize. The triangle in the next slide was no less interesting: Palestine is Israel, Jordan is Palestine, and Iraq is the Hashemite Kingdom."

Prince Bandar's Accusation

Hersh's March 17 *New Yorker* story reported that longtime Saudi Ambassador to Washington Prince Bandar bin Sultan "told me that he had got wind of Perle's involvement with Trireme and the lunch in Marseilles. . . . He said that he was told that the contacts between Perle and Trireme and the Saudis were purely business, on all sides. After the 1991 Gulf War, Bandar told me, Perle had been involved in an unsuccessful attempt to sell security systems to the Saudi government, 'and this company does security systems.' " Prince Bandar next accused Perle of attempting to blackmail the Saudis: Cough up \$100 million in investments in Trireme, and the Saudi-bashing ends. "There is a split personality to Perle," Bandar told Hersh. "Here he is, on the one hand, trying to make a \$100 million deal, and, on the other hand, there were elements of the appearance of blackmail—'If we get in business, he'll back off on Saudi Arabia'—as I have been informed by participants in the meeting."

Perle claimed that the meeting involved a discussion of Iraq, and a proposal by al-Zuhair that Saddam Hussein could be induced to leave the country. But Prince Bandar was not biting: "There has to be deniability," he told Hersh, "and a cover story—a possible peace initiative in Iraq—is needed. I believe the Iraqi events are irrelevant. A business meeting took place."

According to one well-placed Arab diplomatic source in Washington, there is good reason to believe that the alleged Perle extortion attempt did strike pay dirt. In mid-March, a nephew of Khashoggi's was named editor-in-chief of a prominent Saudi Arabian daily newspaper, *Al-Watan*. Jamal Khashoggi had penned an October 2002 slander of Lyndon LaRouche in the Beirut *Daily Star*, which later appeared in Arabic newspapers in Saudi Arabia and Kuwait. Prior to his

becoming editor, *Al Watan* had been regularly covering Lyndon LaRouche's activities, including LaRouche's leading role in exposing the Perle-Paul Wolfowitz "chicken-hawk" war-party inside the Bush Administration. A recent LaRouche-sourced *Al-Watan* article had even exposed the Perle "sheiktdown" operation.

But LaRouche is not the only target of the Perle blackmail scheme. A prominent group of old guard Republicans, many associated with the "Bush 41" Presidency, also stand to lose in a big way, if the Perle scam fully succeeds. According to Arab diplomatic sources in Washington, Perle's heavy-handed pitch to the ever-corrupt Khashoggi included a not-so-veiled attack on the Carlyle Group, a Washington investment firm with extremely close business ties to Saudi Arabia. Carlyle has long been associated with former Reagan and Bush Administration Cabinet official Frank Carlucci, former Secretary of State James Baker III, former President George H.W. Bush, and others of the "Bush 41" inner circle.

It is not known whether Perle was so crass as to mention Carlyle by name in his \$100 million sales pitch, but Arab sources report that Perle flaunted the fact that the "friends of Saudi Arabia" in and around the Bush Administration had been unable to stop the avalanche of attacks on the House of Saud after the 9/11 attacks.

All in the Family

Washington insiders have also informed *EIR* that the Perle scandal has kicked up a great deal of dirt around Vice President Cheney's family business deals on the side. The London *Guardian* had reported, on March 12, 2003, that Cheney, through a "deferred compensation" deal with Halliburton, was receiving as much as \$1 million a year in an escrow fund that he can tap the moment he leaves government service.

Halliburton has made out like a bandit in the post-9/11 war on terrorism and Iraq showdown. Halliburton subsidiary Kellogg, Brown & Root (KBR) has the contract with the Pentagon to put out the fires in the Iraqi oil fields, should Saddam Hussein detonate the booby-traps already in place. KBR won the construction contract for the military detention camp at Guantanamo Bay, Cuba, and is one of five big American construction firms "invited" to bid on nearly \$1 billion in "preliminary" post-war Iraq reconstruction projects. Total contracts are estimated at well over \$3 billion.

Cheney has another not-so-secret weapon in Halliburton's bidding wars. Daughter Elizabeth Cheney is the Deputy Assistant Secretary of State for the Near East, in charge of the economic dimensions of American foreign policy in the Middle East. On Dec. 12, 2002, in a speech at the Heritage Foundation, Secretary of State Colin Powell announced the launching of the U.S.-Middle East Partnership Initiative, aimed at "promoting democracy" in the Arab world. Ms. Cheney, whose husband is the general counsel to the White House Office of Management and Budget, was put in charge of the "democracy" project—yet another inside track on the shaping of the "democratic" post-Saddam Iraq.