

# TREASURY'S NEW SO-CALLED TRANSPARENCY ABOUT SAUDI-HELD US DEBT

According to Bloomberg, Treasury has for the first time ever not only revealed *that* it hides how much US debt the Saudis are holding, but how much debt that is: \$117 billion dollars this month.

The U.S. would buy oil from Saudi Arabia and provide the kingdom military aid and equipment. In return, the Saudis would plow billions of their petrodollar revenue back into Treasuries and finance America's spending.

It took several discreet follow-up meetings to iron out all the details, Parsky said. But at the end of months of negotiations, there remained one small, yet crucial, catch: King Faisal bin Abdulaziz Al Saud demanded the country's Treasury purchases stay "strictly secret," according to a diplomatic cable obtained by Bloomberg from the National Archives database.

With a handful of Treasury and Federal Reserve officials, the secret was kept for more than four decades—until now. In response to a Freedom-of-Information-Act request submitted by Bloomberg News, the Treasury broke out Saudi Arabia's holdings for the first time this month after "concluding that it was consistent with transparency and the law to disclose the data," according to spokeswoman Whitney Smith. The \$117 billion trove makes the kingdom one of America's largest foreign creditors.

For the record, I don't think this is a secret.

Some of it has been reported in histories of the JECOR petrol dollar laundering program. And, if I'm not mistaken (my copy is Audible not dead tree), the book *The Oil Kings* provides much more detail on the negotiations that set this up (and Henry Kissinger's self-dealing as part of that process).

Also, the number Treasury released "consistent with transparency" is almost certainly bullshit. It's not just me who thinks this is a bullshit number: so does some anonymous person who knows better.

Yet in many ways, the information has raised more questions than it has answered. A former Treasury official, who specialized in central bank reserves and asked not to be identified, says the official figure vastly understates Saudi Arabia's investments in U.S. government debt, which may be double or more.

More likely, the vehicle of exchange and secrecy set up in 1974 were renewed when the US and Saudis signed the similar Technical Cooperation Agreement in 2008, which got extended in 2013 until 2023. Which would suggest Treasury has a reason to show us the old-style debt holdings, but not whatever they have going on now. So in the interest of "transparency" (that is, in the interest of avoiding any panic as the Saudis threaten to dump US debt if we start releasing information the Kingdom's role in sowing terrorism) Treasury has revealed the old-style arrangement, but not whatever is the core of what we've got going on now.

In other words, what Treasury's so-called transparency actually tells us is the larger part of Saudi holdings (they threatened to dump \$750 billion in US debt) are stashed somewhere even more secret than the original holdings. And they likely rolled out that even-more-secret stash in 2008, long after we knew they were sponsoring terrorism around the world.