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KING: Tonight, strange sights in the night skies over Texas fuel other worldly questions and controversy.

(BEGIN VIDEO CLIP)
LEROY GAITAN, ERATH COUNTY CONSTABLE: They were dancing around and they were flickering.

(END VIDEO CLIP)

KING: Close encounters and UFOs -- do you believe alien beings are out there?

Do you believe they've come to earth?

We'll hear from eyewitnesses, investigators and experts next on LARRY KING LIVE.

Good evening.

Last week several people in Stephenville, Texas, a small rural town of about 15,000 70 miles southwest of Fort Worth, witnessed what many are calling a UFO.

So what were those strange lights in the sky?

We sent a LARRY KING LIVE crew to Stephenville, Texas this week.

Let's hear what some people told us.

(BEGIN VIDEO CLIP)
ALLEN: We look off this way. We have some lights approaching at a high rate of speed. They came within probably a mile of us, about 3,000 foot over the ground. Very unusual lights, not from around here, went past us toward Stephenville. The lights reconfigured and turned into flames and then it disappeared.
It came back by this way and it had two military jets in pursuit.

UNIDENTIFIED MALE: I looked back to the southwest and there was a very bright light. A couple of seconds later, the second light came on. The next day, a friend of mine calls and tells me about a UFO sighting that had come over my house. I'm not saying I saw a UFO, but with all the reports from everybody else, apparently that's what I saw.

UNIDENTIFIED MALE: They came right across the sky, across the northern edge of Stephenville, Texas, which I'm two blocks from the courthouse right here. They were quite large and moved quite slowly. They were at low altitude and made absolutely no noise at all. They were glowing red. The lights were moving together, as though they were in formation or attached together in some way and invisibly or something, I don't know. And I don't know what they were.

(END VIDEO CLIP)

KING: Let's meet our panel.

In Sheldon, Texas is Steve Allen. He says he witnessed UFO activity last week. He's, by the way, an experienced private pilot.

With us, as well, is Claudette Odam. She and her husband were with Steve at their home when they witnessed what they say was UFO activity.

Also there is Angelia Joiner, staff writer for the "Empire- Tribune," the local newspaper in Stephenville, who has talked to several witnesses.

Here with us in New York, two regular guests on this program when we deal with this topic, James Fox, the documentary filmmaker. He did "Out of the Blue". He's also working on a new film about UFOs called "Beyond The Blue."

And Stanton Friedman, nuclear physicist, UFO researcher. He's been lecturing on the topic "flying saucers are real" for -- since 1967.

All right, Steve let's hear it. Walk us through what you saw.

ALLEN: Hi, Larry.

How are you doing this afternoon?

KING: Hi.

ALLEN: It was last Tuesday. It was a week ago. We was up on the top of the hill burning some brush and debris. We looked off to the east, saw some very bright, brilliant flashing lights headed toward us at a very high rate of speed.

They got -- it started slowing down once it got closer to us. They was about 3,000 foot above the ground -- less than a mile away at the closest time. It continued on and it went toward Stephenville, Texas. And they basically came to a stop right over Stephenville.

The lights in the back of it reconfigured to a vertical scenario. And all of a sudden they burst into flames and it disappeared.

Ten minutes later, the lights reappeared. And that's when the we saw the two military jets that we supposed in pursuit, chasing it. And they headed back east, toward the Dallas/Fort Worth and the nuclear plant area.

KING: Claudette, what did you see?

CLAUDETTE ODAM, SAYS SHE & HUSBAND SAW UFOS IN TEXAS SKIES JANUARY 8TH: Actually, I got home and I came home -- I had called a friend of ours. And Steve and Mike had said that they'd seen a UFO and I didn't believe them. So I called the other guy that was out here. And he said run outside and see what you saw. They're out there right now.

So I ran outside. And toward Stephenville, it was like bright, bright orange lights that were moving together, but back and forth. And it was real low to the ground. And there was no noise, but it didn't seem like it was that far away. And, again, the lights were just so bright and kind of horizontal and...

KING: There was no noise?
ODAM: No, noise.

KING: All right.

Now, Angelia...

ODAM: It was completely quiet. It wasn't like an airplane.

KING: Angelia, what are some witnesses telling you?

ANGELIA JOINER, COVERING UFO STORY FOR "EMPIRE-TRIBUNE": I'm getting very, very similar stories from people that have called in and e-mailed me. And the thing that I hear over and over and over is how bright the lights were. Some people say they were so bright, you just almost couldn't look at them. And the same thing about no noise and that it was quite large.

So I think there's been a lot of consistency in the sightings.

KING: James Fox, these people are not -- they seem very normal people, right?

JAMES FOX, MAKER OF UFO DOCUMENTARY "OUT OF THE BLUE": Yes.

KING: What do you think they saw?

FOX: I'd like to ask a question.

Is there any chance -- and I don't want to insult anyone's intelligence -- that it could have been a comet?

I just want to -- I'm not trying to insult them. I'm just asking what's your response to that, if I play devil's advocate for a minute?

KING: Steve, do you think it was a comet?

ALLEN: No, by no stretch of the imagination. It was very close to us, within -- like I said, it was closer than a mile away. We watched it intensely for over two or three minutes. And then when it came back by with the jets chasing it, not much of a chance of that.

KING: Stanton, what do you think?

STANTON FRIEDMAN, UFO RESEARCHER & PHYSICIST, SAYS FLYING SAUCERS ARE REAL: Well, it certainly couldn't have been a comet. Comets don't move rapidly in the sky. They're a long distance away. They move...

KING: So what do you think it was?

FRIEDMAN: It reminds me of a case up in the Yukon in 1996, where a total of 31 witnesses were interviewed by a civil engineer -- that were in groups of two and three driving on the Klondike Highway in the middle of winter. And they all described this huge thing in the sky that was silent, that had very bright lights on it, that hung around for quite awhile.

There was only one place to stop. A lot of them had stopped for gas and food. And so the investigator, Martin Jasek, a registered civil engineer, was able to triangulate. This thing was between half a mile and a mile big. So that rules out any conventional aircraft. The silence rules out, as you know, any airplanes, anything like that.

KING: So, what's your conclusion?

FRIEDMAN: Probably -- I'll call it a mother ship.

KING: A mother ship?

FRIEDMAN: Well, a space carrier, does that sound better?

You know, we have aircraft carriers which are huge and little small airplanes on it. We have a number of reports of huge craft -- big monsters, half a mile to a mile, that move silently and slowly and then fast.
KING: All right, what do you make of the military chasing it?

FRIEDMAN: Well, that's standard practice. Larry, I hate to say this and it sounds unpatriotic, but the Air Force has lied about UFOs for 50 -- more than 50 -- for 60 years, actually. And this would be in keeping with that.

KING: For what purpose?

FRIEDMAN: To keep us from knowing what's going on.

KING: Why?

FRIEDMAN: They want to figure out how they work. They worry about somebody else figuring out how they work. If they were to announce some UFOs are alien spacecraft, I would expect there would be a push toward an Earthling orientation, as opposed to American, Chinese, whatever. I don't think any president wants that.

FOX: Can I inject?

I asked this exact question at this panel that we just did last -- in November at the National Press Club. And I asked a general from Belgium why is it -- I mean I asked, actually, a number of people, why would any one government want to just not disclose this information?

And he said, you know, it's more of a question of what we don't know. And it's difficult for any government official to announce...

KING: He claimed ignorance.

FOX: Well, there are -- there's craft of unknown origin that can fly around impunity.

KING: Let me get a break and come back with more.

Other guests will be joining us.

We'll try to resolve this.

Don't go away.

(BEGIN VIDEO CLIP)

UNIDENTIFIED MALE: Well, close encounter for the third kind.

UNIDENTIFIED MALE: They're coming.

(END VIDEO CLIP)

(COMMERCIAL BREAK)

KING: The mystery of the UFOs.

Joining our panel now from Dallas, Texas is Ken Cherry. Ken is Texas state director of MUFON. That's the Mutual UFO Network. His group studies the UFO phenomenon.

All right, what do you make of this incident, Ken?

KEN CHERRY, TEXAS DIRECTOR, MUTUAL UFO NETWORK: Hi, Larry.

Well, so far we think this is the most significant mass sighting since 1997 and the Phoenix lights.

KING: Really? CHERRY: Yes. We first started receiving reports shortly after January the 10th, when the -- when it first occurred. And we had received a dozen or more before the story broke there that Angelia wrote in the Stephenville "Tribune."
It was pretty clear from that that this was a very significant sighting.

KING: Hmm.

CHERRY: And it's just -- we've received numerous additional sighting reports since then.

KING: Steve, in your estimation, Steve Allen, how fast was it -- was this vehicle going?

ALLEN: When we first saw it, Larry, I think it was probably running around 2,000 to 3,000 miles an hour. It's hard to judge. It was coming at us very fast, but it was gradually slowing down. And like I said, by the time it got into Stephenville, it came -- it basically came to a complete stop.

KING: Stan how could something move that fast and make no sound?

FRIEDMAN: Because you control the flow of the air around the boundary layer. We know how to do that with the magneto-aerodynamic control system. And there is a lot of classified technology about that. I had a literature search done many years ago and we got 900 references to magneto-aerodynamic research. Ninety percent were classified.

KING: Claudette, does this make you more frightened now than before this incident?

Are you frightened now that you've seen this?

ODAM: Oh, no not at all. I'm just real curious as to what it was.

KING: So if the government -- if the government is covering up something based on fear, that's unwarranted?

You're not afraid?

ODAM: No, I'm not afraid.

KING: Angelia, you didn't see it.

Do you believe it?

JOINER: Well, maybe it is seeing is believing. But when I -- when I got the calls after doing the first story, I did get a little spoofed. I thought oh my gosh, this is bigger than what I even dreamed it could be. So it was a little spooky when I started hearing all the accounts. And I believe it has made -- made me take more notice of UFOs and exactly what's going on around me. I'm looking up in the sky now. KING: James Fox, in all the years we've been hearing about this and stories about this how come, logically, do you think?

How come we've never met one of these aliens?

Nothing's ever come forward. Nothing...

FOX: Well...

KING: I mean we see the sights in the sky and people report it and then objective people say they saw it but nothing...

FOX: Well, here's the...

KING: It doesn't go anywhere.

FOX: Here's the thing, though. I mean you're forcing me to speculate. I have no idea.

KING: Of course. That's all we can do.

FOX: Well, no but I don't want to speculate. But, I mean, based on the evidence, we've got recorded data from radar confirmation, visual confirmation, landing case trace evidence, you know, soil sample analysis, plant analysis -- all these things -- visual confirmation that would work with anything else. But for some reason, when you apply it to the field of UFOs, it's not credible.
But there is a lot of evidence out there. I mean I just met with an FAA official that -- he had cockpit recordings and radar confirmation and visual confirmation all, you know, synced with the radar of these things. And I -- I consider that evidence.

KING: Ken, if they're hiding it, why do you think the government is hiding it?

CHERRY: Well, I think we've had some of the reactions from the public that show that they are concerned about what this means, whether they are safe and whatnot.

But I do think, though, that the fact that we have had so many witnesses come forward across every spectrum of people that it does show that folks are less afraid to come forward. We've had ranch owners, business owners, highly respected people in the community that have come forward and said, you know, we have seen these things in the past in this area and we were afraid to come forward. And I think with responsible journalism like have you done -- no small part -- people are less afraid to come forward.

But fear, I guess, is the number one reason why this has been held back from the public.

KING: We'll take a break and when we come back, we'll ask why not pilots?

They're responsible people. Why don't we hear from them?

Don't go away.

(BEGIN VIDEO CLIP)

GAITAN: They were dancing around and they were flickering. But they weren't doing this. They were like, you know, just moving.

UNIDENTIFIED MALE: Like a light show?

GAITAN: Well, yes, similar to a light show.

ALLEN: I'd say it was about a half a mile wide and about a mile long. It was humongous, whatever it was.

(END VIDEO CLIP)

(COMMERCIAL BREAK)

KING: At the bottom of the hour, we'll be joined by a retired U.S. Air Force pilot who is a skeptic.

What about more pilots?

Do they come forward?

FOX: Well, that's what I was going to say, Larry. There's a guy in here that was at the National Press Club last November -- which I just gave you this DVD. But Deboc, 1994, an Air France pilot, witnessed a saucer-shaped craft roughly a mile across. He testified at the National Press Club about this. He did a little illustration. And it was investigated by the French government.

Yes, so pilots definitely come forward. And there's, you know, there's another general who was a pilot in Jafari (ph) that...

KING: Do you want to hear from people?

FOX: I do. Yes, I would like it -- that's one thing I'd like to mention, is that we are doing a film right now, "Beyond The Blue." and we're looking for military and government officials to come forward. And we can be reached at -- we're also working on a book with Fife Simington Leslie Kean, "Out of the Blue". If you Google "Out of the Blue," you'll find our Web site. And please contact me, because we are on the road for the next three weeks with a camera crew...

KING: Just Google "Out of the Blue."

Fife Simington is the former governor of Arizona, who was...

FOX: Yes, he is. And he's working on the book with Leslie Kean, a journalist out of New York.
KING: Do you think in your lifetime, Stanton, you're going to get the answer -- I mean the real answer? FRIEDMAN: Well, I'm older than he is but (LAUGHTER).

KING: Do you think you're ever going to see it on the front page of the "New York Times?"

FRIEDMAN: Yes. Yes, I'm still an optimist. Yes. I think so, Larry. I think truth will out. It may take a long while. This year has seen a big change in press attitudes. Ten percent of the people in my audiences believe they've seen one, but 90 percent of them didn't report it. If we could change that around to the other way...

KING: Yes.

FRIEDMAN: (INAUDIBLE).

KING: Angelia, what kind of attention are you getting?

Are press people contacting you from other places?

KING: Angelia?

JOINER: Oh, yes. I can hear you now. Yes, I am having a lot of press people contact me from other places, from as far as away as Japan and London, Canada, just all over the world.

KING: Claudette, do you have any friends now who think you're a kook?

(LAUGHTER)

ODAM: Several. Yes, family friends -- not so much a kook as they're just -- they're just inquisitive as to, you know, what happened, what we saw.

KING: Steve, is there a sense of disbelief?

ALLEN: No. Most people that know me know that I definitely saw something. So they are -- they -- actually they've been out in their airplanes searching the skies every afternoon.

KING: You're a private pilot, right?

ALLEN: Yes, sir.

KING: Have you ever seen anything when you've flown?

ALLEN: Absolutely nothing like this. I haven't seen anything remotely close to this.

KING: Do you think, Ken, that we'll ever have the full story, as I like to say -- will we ever see it on the front page of "The New York Times?"

CHERRY: Well, I'd like to see it on the front page of "The New York Times". It does seem that there are more and more rashes of these mass sightings and whereas in the past people were -- wanted to either forget about it, overlook it or just laugh at it, it's taken more seriously now. And I think that's probably what has been going on, is that setting the stage for letting the public really know. And I think that's what -- what is happening in some regards and...

(CROSSTALK)

KING: One at a time.

James?

FOX: All right, really quickly, I just want to mention that when I was walking through the halls of Congress and I handed out copies of "Out of the Blue" to each and every member of the House. It took me a week. And I met with a couple of members of Congress at the time, a couple years ago. And they said they were generally interested in what was happening and they were sincerely interested. And they said but we can't go out on a limb on our own. We need pressure from our constituents...
UNIDENTIFIED MALE: Right.

FOX: ...before we can have Congressional hearings on this matter.

So it's really up to the people to contact our representatives and say, look, we demand you guys look into this whole phenomenon. And that's what it would take -- open Congressional hearings and this thing would be over.

KING: Stanton, what are they -- what is -- what are the powers that be afraid of?

FRIEDMAN: I think they're afraid of admitting they've ignored the biggest story of the millennium for 60 years. Nobody likes to say hey, we goofed -- you know, the "New York Times," "The Washington Post".

UNIDENTIFIED MALE: Right.

FRIEDMAN: Secondly, I think there's a lot of concern on the religious side of things. Jerry Falwell and Pat Robertson have claimed that we are the only intelligent life in the universe. And they'd be up the creek without a religious paddle -- Jerry's already there.

(LAUGHTER)

FRIEDMAN: But -- and so there are concerns about the overall impact, about how we think about ourselves. And, you know, people say why don't they land on the White House lawn?

The president of the United States -- I know this will shock you, but the president of the United States does not speak for six billion Earthlings. Sometimes he doesn't speak for 300 million Americans.

You say well, we'll hold an election. That's the democratic thing to do.

Who speaks for planet Earth? And let the Chinese have 1.3 billion votes versus America at 300 million?

No way.

So there are some serious concerns along those lines about where do we go from here?

You know, we're a planet where nationalism is the only game in town. I don't need to tell you that.

Would this change things?

The galactic federation doesn't allow individual countries any more than the United Nations allows individual cities to belong, wouldn't you say?

So there are serious implications here.

KING: Wow!

FOX: Yes, I was going to say really quickly...

UNIDENTIFIED FEMALE: Larry...

KING: Hold it.

FOX: All right, really quickly, is that, you know, I don't know, a lot of people have -- feel very passionately about a number of different terrestrial issues. But I feel, at the same time -- and I agree with that. But, at the same time, if there is evidence that suggests we're not alone in the universe being withheld from us, I think that's unconscionable.

KING: Ken, was that you that wanted to say something?

CHERRY: Yes. Yes. I think we are getting closer to full disclosure. We have government after government that are opening their files -- the Brazilians, the British, the Australians, the Japanese. We've had three cabinet members recently express their belief in
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UFOs. And I find it kind of interesting that they now have a satellite crisscrossing the moon taking photos and there have been
some anomalous objects in some of those photographs. And suddenly three high-ranking cabinet members that say hey, we believe
in UFOs.

KING: All right.

Hey, Steve, Claudette and Angelia, thanks.

Ken Cherry, thanks.

When we come back, three new panelists will be added to James Fox and Stanton Friedman.

Coming up, another fascinating story.

Eleven years ago, was there a UFO flying over Phoenix?

We'll talk to eyewitnesses when we come back.

(BEGIN VIDEO CLIP)

WOLF BLITZER, HOST, "THE SITUATION ROOM": Members of the Mexican Air Force think they could be UFOs. Pilots
taped 11 unidentified flying objects over southern parts of the country, near the Gulf of Mexico.

UNIDENTIFIED MALE: And it was not a weather balloon nor an aircraft nor a missile. It was something else, which -- we didn't
know what it was.

UNIDENTIFIED FEMALE: The government likes to have power and that's a powerful thing to keep secret from the masses.

(END VIDEO CLIP)

(KING: Remaining with us, James Fox, the documentary filmmaker of "Out of The Blue" and Stanton Friedman, nuclear physicist
and UFO researcher. Joining us now in Phoenix, Monica Bush. She says she witnessed a massive boomerang-shaped formation of
lights on March 13th, 1997, the so-called Phoenix Lights Incident. Former Arizona governor Fife Simonton (ph) has said that he
witnessed a huge other worldly object that same night. With Monica is Erin Watson, Monica's sister, who also witnessed the
Phoenix Lights, and in Tucson, Arizona is James Megaha, astronomer and founder of Tucson Skeptics Incorporated, a retired
United States Air Force pilot.

Monica, take us back. What did you see on March 13th, 1997?

MONICA BUSH, SAW UFO IN PHOENIX: Hi, Larry. I was actually at my parents' house that night. They lived just at the base of
a large mountain, Camelback Mountain, there in Phoenix. And I was talking on the phone and I saw an enormous boomerang-
shaped row of lights come right on top of the mountain. In fact, the first time I saw it, I thought it was a rescue mission because
hikers often get stuck on top of that Camelback Mountain.

And when I realized the enormity of the object on the mountain, I ran inside to get as many family members as I could so we could
try to figure out what it was together. We could put our heads together to figure out what it was.

KING: Were you scared?

BUSH: No, not at all initially, really not at all the whole time. I guess there was no point I thought that I wasn't going to figure out
what it was.

UNIDENTIFIED MALE No sound either.

KING: OK. And there was no sound, right. ERIN WATSON, SAW UFO IN PHOENIX: Yes, completely silent.

KING: Erin, how did you react?
WATSON: It was just kind of an amazing sight. I just was more wondering what it was and what kind of craft. To me the most shocking thing was the silence. How can this huge object in the air that was the size of -- I compare it to two cruise ships almost. It was like a city in the air, not make any sound. It was just -- it was is crazy.

KING: Where did it go?

BUSH: It went -- flew right -- I mean, it was several minutes, it was four minutes or so that we were able to observe it. And ultimately, it fell south behind our house. And then ultimately quickly out of sight.

KING: Did you -- I guess many people reported this, right?

BUSH: Yes, we hear tens of thousands of people saw it.

KING: Was there any official reaction, Erin?

WATSON: You know, it's funny. I didn't think twice about it. I didn't -- I don't know. To me, I didn't think of like UFO. I just thought tomorrow in the news, we're going to hear what it is, you know, like I really did the next day. I thought, OK, we're going to hear all about it, what this huge thing in the sky was. It was never talked about.

So I was more embarrassed than anything. I was a senior in high school. And I just kind of kept it to myself at that point when I thought people would think I was crazy, you know?

KING: James?

FOX: Erin, how are you?

WATSON: Good, how are you?

FOX: Good. I want to ask you quickly, your mother, was it your mother who called the local airport because it was sort of heading off in that direction.

WATSON: Yes.

FOX: What did the airport say or who it was that called the airport?

WATSON: My mother called the airport because initially she called because we're in a no flight zone over our house. So that was her first concern, honestly. And she call the airport and they instantly gave her the number to a UFO sightings reporting agency, I guess, in Seattle. So instantly, they gave her that number. We were all like what? You know, why are you calling them?

FOX: So the airport said they didn't see anything.

WATSON: Yes, they said we don't see anything on the radar.

FOX: Got you.

KING: James Mcgaha is an astronomer, a founder of Tucson Skeptics Incorporate, retired U.S. Air Force pilot. I know you're a skeptic. What do you think they saw?

JAMES MCGAHA, UFO SKEPTIC, ASTRONOMER: It depends on which time of night they saw them. There were two sets of lights that night. There were lights at about 8:30 that night and there was a separate set of lights at 10:10 that night. The lights at 8:30 that night were a formation of five aircraft flying over the area.

KING: Don't laugh.

MCGAHA: This is quite clear because I have documented evidence of this. The 10:10 lights were flares that were dropped on the range about 100 miles southwest of Phoenix.

KING: So --

MCGAHA: These flares are quite bright. They're two million candle power. They can light up an area on the ground a mile in
diameter. And they're on parachutes so they hang in the air for a considerable amount of time.

KING: How are they used, for what purpose?

MCGAHA: The flares are used for night flying so that you can light up the ground for night attack with aircraft and other things to see the ground. That's what they're used for.

KING: All right. Do you think he's wrong, James.

FOX: One thing I have to ask you, quickly is, do you understand that Governor Fife Simonton actually investigated this himself and talked to the people at Luke Air Force Base, the general there, and I believe he made all sorts of inquiries? Why would they not have told him that what people saw, including himself, were military flares? It doesn't make any sense.

This was a craft. This wasn't lights. Everyone's talking about a craft. I don't understand how you could think of -- it's silent. It doesn't make a lot of noise. A-10 Warthogs make a lot of noise.

KING: Let him respond. James?

MCGAHA: Well, the issue here is people see lights in the sky. The issue is interpretation of those lights, whether they connect the lights together and make a single object out of them. People are not trained observers. They misinterpret all the time when they see strange and unusual objects, and they have misperceptions of it.

As to Luke Air Force Base, Luke Air Force Base had nothing to do with this. These A-10s that dropped the flares that night were out of a Maryland national guard unit that was TDY, Temporary Duty at Davis Monthon (ph) Air Force base in Tucson.

FOX: One thing is, I have to direct this question to Erin. Erin, who was it that actually witnessed this had craft take off?

WATSON: That was me.

FOX: OK, thank you.

WATSON: Yes, it was my two brothers and I; and we stood outside watching it. First of all, I want to clear something up. I was underneath the craft, looked up and the stars were covered. I saw an object. So unless you were there, there's no way of you even being --

KING: Let me get a break and we'll pick right back up with Monica, Erin and James, and Stanton and our other James. Don't go away.

(BEGIN VIDEO CLIP)

UNIDENTIFIED MALE: I had the evidence that the crash did happen here.

UNIDENTIFIED FEMALE: And in the red light was sort of casting a glow over the whole thing so it looked like a round disk.

UNIDENTIFIED MALE: People say Mike, you saw a B-2 Bomber. My response was, we could land all 40 of our B-2 Bombers on the wing of that craft.

UNIDENTIFIED MALE: I would go ahead and feel the craft which was warm.

(COMMERCIAL BREAK)

KING: James Mcgaha, these two intelligent young ladies, Monica Bush and Erin Watson, are saying this craft went over their house. It took five minutes to go over their house. They looked up at it. Are you denying what they saw?

MCGAHA: I'm not denying that they saw lights. I am saying they misinterpreted those lights. There was clearly a formation of five aircraft flying in formation with their formation lights on that night. I actually have a video -- I actually have a videotape of that, of those five lights in formation. And I have a confirm eye-witness, who viewed it through a very large astronomical telescope, to say they were individual airplanes.

KING: Monica, how do you react to that?
BUSH: It was clearly not five aircraft. It was one aircraft with several lights. And it was right over our house for a long period of
time with five people observing it at the same time.

KING: Erin, making no sound. WATSON: Completely silent, and unless there is a plane that's a mile long, or -- it was all
connected, so, bottom line, it was one object that we looked up at.

MCGAHA: How do you know they were connected.

WATSON: Because we looked up and you couldn't see stars through it. That's why I was like, wow.

MCGAHA: Are you qualified to look at the sky at night.

WATSON: I'm not.

MCGAHA: Do you identify stars.

WATSON: I don't really care about the subject enough. I saw what I saw. I wish you would have seen it. I really do. I wish more
than myself that you would have seen it.

FOX: Hold on, James. One more question, Erin. You guys saw this thing take off?

WATSON: Yes.

FOX: You saw it take off. Come on.

WATSON: It was probably like a mile south of our house. My two brothers and I witnessed, it was a V-shaped, like boomerang
shaped, and it kind of like kind went in a little bit and then it was gone. There was no fumes. There was no evidence.

KING: Stanton, how do you react to James' differing?

FRIEDMAN: I think that he started off with the conclusion that there are no flying saucers, there are no alien spacecraft. Anyone
who thinks they've seen one is simply mistaken. He's a competent pilot. He knows. He ought to talk to the guys at the National
Aviation Reporting Center for Anomalous Phenomenon. They've collected more than 3,000 pilot sightings, many of these multiple
witness, radar visual in the sky, in the daytime.

KING: Why do you deny it, James? James, why do you deny it?

MCGAHA: I'm not denying it. I am looking at -- simply looking at the evidence. First off, I should say, pilots are not trained
observers either. They're trained to fly airplanes. Let's be clear about that, pilots make mistakes identifying things in the sky all the
time.

Secondly, the issue is about whether lights in the sky should be interpreted as spacecraft from another world. There's hundreds and
hundreds of things that cause lights in the sky, natural phenomenon, astronomical phenomenon, atmospheric phenomenon, man-
made phenomenon.

KING: But the girls are saying --

MCGAHA: None of these have anything to do with extra-terrestrial space craft.

KING: But the girls are saying they saw a craft fly over their house that was large in size that took five minutes to pass over the
house.

MCGAHA: Well, these were -- the aircraft that were flying through that night were flying at a slow air speed at a high altitude.
They would not have made any noise. Let's identify what they're saying. They're saying an aircraft a mile across flew through the
Phoenix Airport area, one of the busiest in the United States, a mile across, didn't divert aircraft and they didn't see it on radar.

WATSON: Yes, that's why we called the airport. Instantly.

BUSH: And us and 10,000 other people saw that.
KING: I've got to go the a break. Thanks Monica. Thanks Erin. James will remain with us. And James McGaha, Stanton Friedman and James Fox will complete our discussion. Right now, let's check in with Anderson Cooper, the host of "AC 360" at the top of the hour. Anderson, what's up?

ANDERSON COOPER, CNN HOST: Larry, the top of the hour on 360, the clock is ticking to two major milestones in the race for president. In a few hours, the caucuses in Nevada and the Republican primary in South Carolina gets underway. This past week has taught us nothing if not that the race for president remains as wide open as it was a month ago. Maybe tomorrow, we'll get closer to finding out who truly has the inside track at securing their party's nomination.

We'll check out the latest on the polls. We'll look at where and how the leading candidates are making their final pushes and take a close look how the evangelical vote could be the difference in South Carolina.

Also tonight, exclusive new pictures and information in the case of the missing Marine suspected of killing this young woman, fellow Marine Maria Lauterbach (ph), things you'll only see on 360 tonight, that authorities hope could help catch suspect Caesar Laurian (ph), who remains on the run. All that and more at the top of the hour.

KING: Anderson Cooper, 10:00 Eastern, 7:00 Pacific. We'll be right back. Don't go away.

(BEGIN VIDEO CLIP)

UNIDENTIFIED FEMALE: Oh, my god! I'm trying to keep it in the frame and it's just --

UNIDENTIFIED MALE: Looks like it. Whatever it is, it's on fire.

UNIDENTIFIED MALE: Grandpa, was there any people? Did you see people? And he said, sweetie, he said they were just poor little creatures.

(END VIDEO CLIP) (COMMERCIAL BREAK)

KING: Remaining with us, James Fox and Stanton Friedman here in New York. and in Tucson, James McGaha. What did you think of the Texas sitings, Mr. McGaha.

MCGAHA: The sitings are (r)MD+IN¯(r)MDNM¯a classical example of people seeing lights. They really did see lights in the sky. But their interpretation of the lights -- we wouldn't be sitting here talking about these lights if someone hadn't said the word UFO, implying an extra terrestrial spacecraft.

Clearly, they saw lights. What it should be noted is that Stephensville is on an air traffic corridor, both a low altitude corridor, high altitude corridor going across the country. It's also on the approach routes into Dallas/Ft. Worth, Texas, and it's just northeast of two military operating areas, MOAs, in which aircraft operate. And, in fact, military aircraft were operating in those MOAs that night.

In addition to that, the atmospheric conditions that night were conducive to other atmospheric phenomenon, such as sun dogs. And, in fact, someone actually took a picture that afternoon saying that it looked like something he -- some of the people had seen and it was a sun dog.

KING: Stanton, when you hear people like James present the opposition, do you also look into his presentation? Do you investigate his side?

FRIEDMAN: Yes, I do. As a matter of fact, in a new book, I show that certain documents that are controversial -- I find a bunch of phony documents as well as the real ones. I'm only interested in the real ones, of course, but I had to go check out the phony explanations that James has provide. The Air Force has said they didn't have anything flying. Remember, they discounted that very strongly, not us. We know from nothing.

It is really sad, Larry, that, for example, an Air Force general said reports which could affect national security are not part of the Project Blue Book system. That's a formal statement by an Air Force general. It led to the closing of the old Project Blue Book. You haven't seen the press grab on to that one, the good cases, the ones that could affect national security. They're the only ones we care about.

KING: James Fox, do the nay-sayers like James ever make an impression on.
FOX: You know, it's frustrating to me because it's like going like this. Listen to the testimony of the people that are saying and respond to what they're actually saying. And that at least, you know, is intelligent dialogue.

KING: James Mcgaha, do you completely dismiss the idea of aliens and UFOs? MCGAHA: Not of aliens. Extra terrestrial life, of course, is possible. The question is whether it's visited the Earth or not. There's simply no evidence that extra terrestrial spacecraft have ever visited the earth.

FOX: That's easy to say.

MCGAHA: Yes, it's easy to say because there's no evidence. The scientific community would agree. I am a scientist. I study the night sky. I take images every night of the night sky.

By the way, let me comment on this Air Force issue, which is a little bit complicated.

KING: I've got to take a break and have you comment because we're running out of time. We'll be right back. Don't go away.

(BEGIN VIDEO CLIP)

UNIDENTIFIED MALE: In the southwest of England, just outside Somerset, there was another sighting. It was captured on videotape.

We took this tape to be analyzed by Lucas Films special effects division, Industrial Light and Magic.

UNIDENTIFIED MALE: It's coming this way.

UNIDENTIFIED MALE: If you were to give me a background plate of just the sky and say we want you to take this image of a flying saucer and match it in, that's something that's technically very difficult to do. I'm convinced that this object was there when this person was taping.

(COMMERCIAL BREAK)

KING: James Mcgaha, quickly about the Air Force.

MCGAHA: Basically, when people ask the Air Force, they talk to the public affairs officer trying to find out what happened. Very often, they'll ask someone, ask the flying units, and sometimes they don't ask the right agencies and so forth. I have checked into this, and in fact, there were eight F-16s flying in the MOA that night. I haven't been able to verify this yet, but I'd suspect they dropped flares that night as well, but I can't confirm that at this point.

KING: All right. James Fox.

FOX: Yes, I was going to say James, I direct this question to you. If you're out there somewhere, why can't we just say, you know what, we don't know what that was? Why can't we just say that? Why do we have to find a prosaic explanation to every sighting that exists today? And why are all these qualified radar operators and pilots and high ranking military and government officials from all around the world, why does there have to be a conventional or prosaic explanation to each and every case? Why can't we just shrug our shoulders and say we don't know? KING: James?

MCGAHA: Because there's no evidence. The question should be asked, if this is such an interesting subject, why are not scientists investigating this topic. When I bring this subject up to fellow astronomers, they laugh at it.

FRIEDMAN: Astronomers also laughed at many other things like travel to the moon, like space travel. They said that the surface of Mars was in a way that it isn't. Astronomy has a long history of jumping to conclusions and having to admit that they were wrong and forgetting what they said before, of course.

FOX: The Conman Report (ph), Stanton.

FRIEDMAN: I'm a scientist. I've talked to many scientists. I've talked to 700 audiences, many of them scientific groups. They are interested. You say there's no evidence. I say we've got 4,000 physical trace cases. We've got 3,000 pilot sightings. We have multiple witness radar visual sightings. What is it you want?
We have a crashed saucer. I don't have a piece of the saucer or a body or a piece of a neutron star or of a supernova.

FOX: Stan, the Conman Report, all the scientists, the panel of scientists on the Conman Report. They're scientists.

KING: What are you saying?

(CROSS TALK)

KING: James Mcgaha, are you saying definitively, there are no UFOs?

MCGAHA: I'm saying there's no evidence that there are UFOs. UFOs are basically a myth and magical superstition belief system by many people that these alien spacecraft are flying around here. There's simply no evidence that they are. That doesn't mean that it's impossible that an alien civilization could fly here. There's simply no evidence. Until there is evidence, the scientific community is not going to be interested.

KING: So these people are not seeing what they're seeing or they don't know what they're seeing or they're misreading?

MCGAHA: They're misinterpreting what they're seeing. They're not trained observers. They're allowing their perceptions to bias what they're seeing. And they're misinterpreting that, in addition.

KING: James Fox, Stanton Friedman, James Mcgaha, we'll do lots more on this. Good luck in France. This weekend, check out CNN.com/LarryKing. You can download our current podcast with the amazing and always talented Queen Latifah and Diane Keaton. You can email upcoming guests, participate in our quick votes, too. All at CNN.com/LarryKing.

And now without further ado, if there's life on another planet, he will be there to cover it, Anderson Cooper at "AC 360." Anderson?

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