

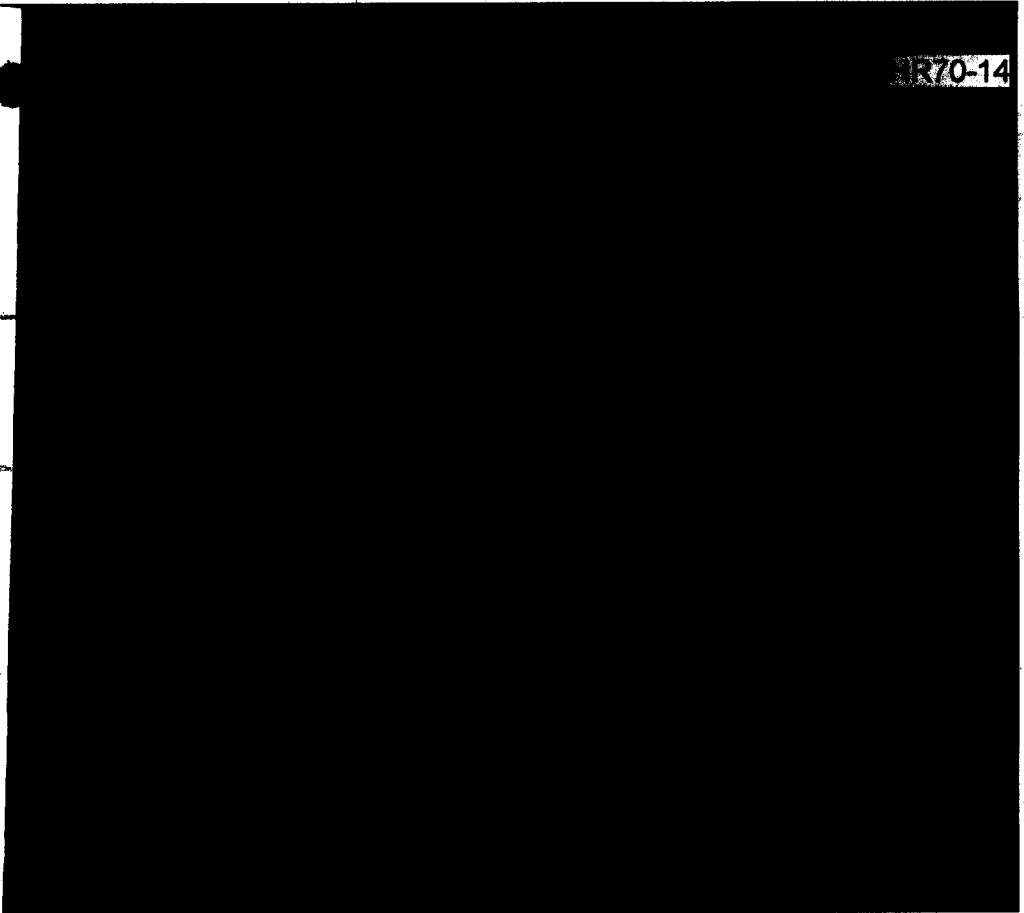
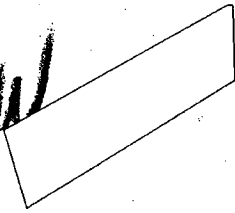
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PROGRAM: <b>CBS MORNING NEWS</b>	DATE: <b>JULY 23, 1970</b>
STATION OR NETWORK: <b>CBS TELEVISION</b>	TIME: <b>8:00 AM, EDT</b>

**REPORT ON CIA ACTIVITIES IN LAOS**


**JOSEPH BENTI:** Last September President Nixon acknowledged that the United States maintains aerial reconnaissance over Laos, and he said, perhaps some other activities there. Congress now is trying to find out more about those other activities. Investigators have been interested in the role played by the airline Air America, one of two operating in Laos. The other, Continental Air Service, is a public corporation, but Air America has been called an operational arm of the CENTRAL INTELLIGENCE AGENCY. Bill McLaughlin has a report from Vientiane. (FILM CLIP)

**BILL McLAUGHLIN:** It's one of the largest airlines in the largest airlines in the world, but it doesn't spend a penny on advertising. It doesn't employ any hostesses or show movies or boast about its cuisine. But Air America is doing very well, thank you. Its business is war, and it has a steady paying customer in the U. S. government. (FILMED SCENES OF PLANES TAKING OFF AND LANDING)

Air America is one of America's largest non-scheduled airlines. It employs about 5,000 Americans and Asians, including some 600 pilots. It owns over 250 planes and helicopters and operates from bases in Laos, South Viet Nam, Thailand, Okinawa and Nationalist China.

Unlike most flight charter services, Air America and Continental Air Services do not go looking for business. The United States Government provides enough work. More often than not, the government agency that pays is CAF(?). That's the code name the Central Intelligence Agency uses in Southeast Asia.

Air America is wholly owned by the Pacific Corporation, a closed company registered in the state of Delaware. The Pacific Corporation in turn is controlled by the CIA.



In the early sixties, Air America operated out of this small building, then a combined office in Wright's warehouse, run by two pilots and a handful of local employees. Air America has grown right along with our increasing involvement in the war. The one building has grown to half a dozen. In Laos, it employs over 1100 ground personnel, mostly Laos, Thais, Filipinos and Nationalist Chinese.

There are 158 American pilots and copilots who earn an average of \$25,000 a year. Most of that is tax free. Continental, considerably smaller, employs only 50 pilots and 350 ground personnel. The intelligence cover for both is the United States Agency for International Development, USAID. In Laos, CAS or the CIA has long found USAID a good cover. This was publicly admitted recently by USAID director John A. Hanna, who said the CIA has been using USAID as a cover in Laos since 1962.

Air America and Continental's USAID contracts total \$13 million a year; \$8 million for Air America and \$5 million for Continental. This is supposed to pay for the good work of flying around the men, machinery and food involved in foreign aid. In reality, more than half the flying is done in support of the CIA's paramilitary missions.

(FILMED SCENE OF PLANE COMING IN OVER BODY OF WATER TO LAND. SUPERIMPOSED LEGEND ON SCREEN: AMATEUR FILM)

These movies, made with a simple 8 millimeter camera, were provided by a former Air America employee. From Vientiane to bases as close as half a mile away from the Chinese border, these films reveal the extraordinary network of fortified hill positions maintained by the CIA in Laos.

There are literally hundreds of these small bases throughout Laos, and Air America provides the commuter service. While the CIA makes war, Air America just makes it possible.

Air America and Continental provide the logistical backup support for General Vangpao's 10,000 man Montagnard army, which holds some of these bases. The Montagnards came down from China 300 years ago and consider both the Laos and the Vietnamese as traditional enemies. The French trained them and found them highly effective as mercenaries. So does the CIA.

Air America flies in the food and ammunition and provides the means for getting to and from war. It performs the same function for the CIA's 20,000-man secret army, a multi-national force of Laos, Montagnards, Thais, Nationalist Chinese, Burmese and Vietnamese, which, along with Vangpao's army, constitutes the only effective anti-communist fighting force in Laos.

Both are paid for and controlled by the CIA, which provides American operatives, usually recruited from the Marines or Special Forces, to lead them. It also provides them with an airline. The military principle behind these bases is fighting guerrillas with guerrillas. The secret army is used to disrupt Laotian communist and North Vietnamese supply lines, plus keep an eye on China.

The high ground here is not only strategic. It represents the only avenue of retreat. The secret army could not exist without Air America's help. It fights and lives in the rugged terrain of north central Laos, right in the middle of communist-held territory. Only helicopters and the Swiss-built single engine porters can land and take off from the tiny hilltop landing strip.

The Air America pilots who fly to these bases earn every cent of their pay. The natural hazards of short takeoffs and landings are bad enough. The hilltop position, designed for trail watching and guerrilla support, change hands frequently. Before a pilot will touch down, he first must see the predetermined recognition signal laid out on the base. Not even the tightest precautions always work, however. Air America has lost a few pilots, tricked into landing on communist-controlled positions.

Still, Air America has no trouble finding pilots. It's not only the money; there are those who get a kick out of danger, who cherish their Terry-and-the-Pirates image. Their trade mark is the heavy pure gold or silver identification bracelets made by jewelers in Vientiane. Bill Goodwin, who once flew with Air America as a flight mechanic, was asked by CBS reporter Bill Gillan about his experiences.

**BILL GOODWIN:** I did carry armed Americans, mostly of civilian dress. However their--the idea that they were armed purely for defense purposes, self-defense--

**GILLAN:** Were they Special Forces members?

**GOODWIN:** Well, I couldn't say, one way or another, what they were.

**GILLAN:** What did you do with the armed types? Where did you drop them off? You know, what did you do with them?

**GOODWIN:** Well, they were set up in bases of operation all throughout Lao, more or less conducting the supply of food and ammunition, more or less coordinating this with the locals.

**MCLAUGHLIN:** The U. S. Embassy in Laos continues to forbid journalists to cover the real war, the one the U. S., not

the Laotian government, is waging. One high ranking U. S. diplomat here explained the policy in these words: The American people would not understand; if they saw what we are doing here, they would not like it.

Air America keeps flying. The motto is, "You call, we haul, and let's not ask any questions." Out go the bombs, the bullets, the men and the rice; back come the dead and wounded. Air America is about as private as the U. S. Air Force, but its thin cover does make it less visible. It could be argued that it performs a vital function, that of keeping official U. S. involvement down to a bare minimum. Bill McLaughlin, CBS News, at the Air America compound in Vientiane, Laos.

MARVIN KALB: This is Marvin Kalb, in Washington. In a rather embarrassed way, officials for the Agency for International Development admit that over the years, agents for the CIA have worked in Laos under an AID cover. They would like to end this arrangement but they know they do not have the clout in the bureaucratic sense to fight the CIA. They insist, however, that the number of CIA agents involved in Laos for AID is very limited.

Nevertheless it is a fact, widely though privately acknowledged, that the CIA is involved in almost every American activity in Laos. The war, at least the American part of it, is largely a CIA operation. The reason for the hocus pocus, for all of the secrecy, goes back to the 1962 Geneva Accords, setting up a neutralist, coalition government and demanding the withdrawal of all foreign troops. The North Vietnamese never withdrew. There are now an estimated 60,000 of them there.

As the war intensified, the CIA expanded its military operations in Laos and the U. S. Air Force undertook a direct combat role. But very little is publicly admitted or discussed by either side, though both are in technical violation of the accords. One day the U. S. would like to restore them, and perhaps Hanoi shares that hope. That is why there is the official feeling here that the less said about Laos, the better.

The Senate, of course, has other views, and because of its building pressure, the Nixon administration has lifted the lid on some of its covert CIA operations in Laos in recent months. Still, some influential senators are not satisfied. They believe the CIA has too much uncheckable power, even by a Congressional watchdog committee, too little public control over its activities in Laos and elsewhere.

The fact is, most congressmen and the public at large still do not know the full scope of CIA operations in Laos nor their potential cost in money and lives. Marvin Kalb, CBS News, in Washington.

FOR PUBLIC AFFAIRS STAFF

PROGRAM CBS Morning News

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DATE July 23, 1970

8:00 AM

CITY Washington, DC

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The secret army is used to disrupt Laotian Communists and North Vietnamese supply lines, plus keep an eye on China.

The high ground here is not only strategic, it represents the only avenue of retreat.

The secret army could not exist without Air America's help. It fights and lives in the rugged terrain of north central Laos; right in the middle of Communist held territory. Only helicopters and the Swiss built single-engine porters can land and take off from the tiny hilltop landing strips.

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