

U.S. Is Backbone of Laos Drug Trade

By Jack Anderson

The U.S. government has insisted for years that its unofficial CIA-run airline, Air America, has not been running opium in the mountainous Asian land of Laos.

But now, from the files of the CIA and other U.S. intelligence agencies, we have evidence that U.S. ground and air equipment — if not U.S. personnel — has formed the backbone of the Laos opium trade.

"Selected Royal Lao Army and Royal Lao Air Force units, utilizing air and ground equipment furnished by the United States, provide the means for protecting, transporting and processing of narcotics," reports one intelligence summary on Laos.

"A broad spectrum of Lao society is involved in the narcotics business, including Generals, Princes, high-level bureaucrats and Province Governors," says the report.

Another document complete with a secret CIA map, reports unequivocally: "Most of the refineries in Laos operate under the protection of the Royal Lao Armed Forces . . . Some reports suggest that a senior Royal Lao Armed Forces officer may hold an ownership interest in a few of these facilities."

To end narcotics running by the highest echelons of Laotian society, the documents propose drastic action.

"An important target group will be the Air Force generals and other Royal Lao Air Force personnel who command and operate the transport aircraft involved in shipping narcotics."

"Officials high and low who are found to be involved in a substantial way will have to be removed from positions of influence," urges the memo. It recommends curtailment of some aid to Laos.

"This is aimed specifically at eliminating the use of all U.S.-owned aircraft operated by the Royal Lao Air Force or U.S.-leased aircraft, including U.S. support items, in the transport of narcotics."

In recent months, America's spokesmen claim a new Laotian anti-heroin law is having some effect. But, in fact, only lowly opium hustlers are arrested; the generals and princes go untouched.

Jonah and the Whale

The Federal Reserve Board is supposed to supervise banks, not do their dirty work. But recently the Fed aided the banks in an attempt to take over an entire industry.

The victim of this power play was supposed to be the

armored car and courier industry, a collection of small companies all over the country.

The banks would like to swallow up the industry, and the Fed has been deliberating whether to grant permission.

Unwilling to play Jonah to the banks' whale, the armored car and courier companies are fighting back. As part of their counterattack, one courier firm hired Dun & Bradstreet to survey how good a job the courier companies do.

They decided to survey the Fed's own outlying banks, figuring that if the Fed's own branches liked the courier service, this would be convincing argument that the industry deserved to survive.

Dun & Bradstreet gathered 20 interviews with Fed banks before their bosses in Washington got wind of the survey.

Off went a peremptory telegram. "It appears inappropriate for officials of Federal Reserve banks and branches to express any opinions about courier services," wired Board Secretary Tynan Smith, noting that a Fed decision on the takeover was pending.

To make absolutely sure the courier survey was stymied, Smith added: "Please keep us informed if you are contacted for such information." This so

intimidated the regional Fed officials that two of them, who had already given interviews, tried to withdraw them. Other officials insisted their replies be totally anonymous.

Although the survey was aborted, the courier services did get some use out of it. Based on the incomplete returns, it showed the Fed banks were generally satisfied with the private courier services.

No Spanish Allowed

A top anti-poverty official has scolded subordinates for speaking Spanish at a recent meeting that included Spanish-speaking officials.

"I was appalled," wrote operations chief James Griffith, "to hear a meeting of in-house (anti-poverty) people closed with a statement in Spanish and answered in Spanish. This was absolutely uncalled for and taken as a direct insult by the persons in attendance."

Griffith's rebuke was directed at migrant staff official Pete Merilez. Asked for an explanation, Griffith told us: "We poor gringos who don't speak Spanish sometimes get embarrassed when we hear others speak it. We get the feeling they're speaking behind our backs."

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