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CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D. C. 20505

OFFICE OF THE DIRECTOR

The Honorable Les Aspin
House of Representatives
Washington, D. C. 20515

Dear Mr. Aspin:

In my letter of June 28, 1972, I advised you that a thorough investigation would be undertaken of the "substantial new evidence" you stated you had received from Mr. Alfred McCoy indicating that CIA is implicated in fostering the drug traffic in Southeast Asia. You later provided me a copy of an undated letter from Mr. McCoy constituting this "new evidence." In our investigation we reviewed CIA activities which might have been a basis for the items cited in Section IV of Mr. McCoy's letter and interviewed the three Laotian individuals quoted by Mr. McCoy. As the remainder of this letter and the enclosures herewith will show, the findings of this investigation are that the "new evidence" supplied by Mr. McCoy in fact is not "substantial."

The individuals cited by Mr. McCoy to support his charges are General Ouane Rathikoun, General Thao Ma and Kia Su Yang (Ger Su Yang). We interviewed each of these individuals in the course of our investigation. Enclosed with this letter are summaries of these interviews. As you will see, General Ouane Rathikoun took issue with each of Mr. McCoy's allegations and stated that he was prepared to deny them publicly and categorically. General Thao Ma stated that he had heard "rumors" of trafficking on American aircraft but that he did not know of any actual instance of such. Kia Su Yang denied making the statements attributed to him by Mr. McCoy, but our appraisal of him is that he is undependable and could have done so. However, our other evidence of aircraft visits to Long Pot at that time indicates that there was no regular traffic which would have presented the opportunity

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for organized movement of the sort suggested, and that Air America's rules and procedures at that time effectively barred any but isolated and inadvertent carriage of small amounts of drugs by individual passengers on the company's planes, certainly no "fostering" of that traffic.

Miss Flora Lewis' article in the Washington Post of 23 July 1971, also cited in Mr. McCoy's letter, implied a recent initiation of rules and procedures against the transport of drugs on Air America's aircraft; in fact, this was only an incremental improvement of a long-standing effort. Her article was also ^{INACCURATE} erroneous in stating that I had told a secret Congressional hearing of earlier CIA involvement in drugs.

CIA's position on this matter can be simply stated as follows:

a. The opium trade has existed in Southeast Asia for generations. This trade depended upon the market, and until recently the market for Southeast Asian opium was in Southeast Asia. The increase in the opium trade and the appearance of heroin were a result of the increased market, in part due to the presence of large American military forces in Vietnam.

b. CIA at no time allied with, abetted or engaged in the drug trade in Southeast Asia. From its earliest days in Southeast Asia, CIA took steps to ensure that it would not be involved in the drug trade.

c. When this drug trade became a matter of concern to Americans, as distinct from a local Southeast Asian problem, CIA engaged in a variety of programs to attack it. These efforts are by no means totally successful, but they have had substantial impact.

Our difference with Mr. McCoy is not merely a debate over the quality of his scholarship. His charges and implications have been repeated by editorial writers throughout the nation and could create a myth of CIA involvement in the drug traffic. In fact, CIA has not

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been involved and is actively engaged in fighting against this traffic. Mr. McCoy's charges do a great disservice to this fight and to the [many] sincere people in CIA who are at least as concerned about this problem as Mr. McCoy.

I trust that this will reassure you that the CIA is in no way "implicated in fostering the drug traffic that ruins the lives of tens of thousands of Americans."

Sincerely,

Richard Helms
Director

Enclosure

Summary of Investigation

1. On 17 July a senior CIA officer met with General Ouane Rathikoun and showed him an abstract of the McCoy testimony before the Foreign Operations Subcommittee of the Senate Appropriations Committee and a copy of the McCoy article in the July issue of Harper's magazine. The officer explained to Ouane that the McCoy charges had received considerable publicity.

The officer noted that Ouane reacted forthrightly and without any suggestion of embarrassment. Ouane provided the following responses:

- a. He had never had a three-hour interview with any American writer on the subject of opium traffic. He did not remember McCoy by name although it was possible he may have talked to him.
- b. He scoffed at the McCoy charge about Vang Pao. He insisted that Vang Pao had nothing to do with trafficking. He also dismissed as ridiculous the McCoy contention in the Harper's article that Vang Pao prostrated himself before Ouane and begged for forgiveness.
- c. Concerning Air America's alleged involvement in opium trafficking, Ouane contended McCoy's charges were absolutely nonsense. First, it would never have been necessary to use Air America, given the availability of the Royal Lao Air Force (RLAF) on the one hand and, secondly, because of the ready access to other commercial aircraft moving freely within and out of the country.
- d. He rejected the idea of Military Region II as a source of opium production. He noted that the Meos in that area have been so thoroughly displaced from their former producing areas that the Meo users of opium are forced to rely on opium imported from Burma.
- e. He likewise attacked McCoy's contention that General Thao Ma "refused to carry opium for General Ouane" and similarly dismissed out of hand McCoy's charge that Vang Pao sustained his role in the Laos narcotics trade by opening a heroin laboratory in Long Tieng.

The officer in trying to evaluate Ouane's veracity, noted that Ouane made a convincing case in his own behalf; that Ouane has probably divorced himself from whatever connections with the traffic he formerly possessed and that his defense of Vang Pao and Air America rings true in that he would appear to be under no obligation to cover up for either.

2. The Officer met again with Ouane on 25 July at which time Ouane reiterated his earlier positions. He stated categorically that neither Air America nor Vang Pao was involved in narcotics traffic. He said that if McCoy is attributing those allegations to him (Ouane), McCoy is lying.

3. General Thao Ma, former Chief of RLAF, was contacted in Bangkok, Thailand, on 24 July 1972. The interviewing officer noted that General Ma did not appear to possess close association or detailed knowledge of narcotics trafficking during the period that he served as Commander in Chief of the Royal Lao Air Force. When asked about possible Air America involvement in narcotics traffic, General Ma stated that he had heard rumors that narcotics had been moved on their aircraft but knew of no actual incidents or cases.

4. On 11 July 1972 an officer met with Kia Su Yang (Ger Su Lang). Yang related the following:

a. He had talked to two foreigners "last year" who were interested in village life and took many pictures in Long Pot. He denied that he had discussed the opium trade with them and denied that he had made statements regarding Vang Pao officers collecting the opium harvest and transporting them back to Long Tieng.

b. The Long Pot sector provided very poor land for opium cultivation. He said that the Long Pot Muong grew only enough opium for local consumption but that the Lao Theung groups did grow some opium for sale. However, all of the latter opium was sold to Muong Kassy and Vang Vieng, not Long Tieng.

The interviewing officer gained the impression from Yang's manner that Yang is an undependable opportunist. The officer reasoned that Yang may have related the tale as McCoy printed it.

5. A review of Air America flight logs into Long Pot shows only thirteen occasional and sporadic visits between March and August 1971, with time on the ground of thirty minutes or less. These visits were by different types of helicopters and without apparent pattern among fourteen pilots and eleven flight mechanics. Mr. Yang's allegation that the Meo officers were left at Long Pot for a "few days" and picked up again is contradicted by the sequence of the actual visits.

6. Air America has ^{for some time} long had rules and procedures against smuggling, including narcotics. These stem back to its earliest days, ~~for obvious reasons~~. Air America's personnel indoctrination and inspection systems are equally long-established and its security personnel have long engaged in a variety of actions to prevent smuggling on company aircraft. Any employee involved in smuggling has been subject to immediate dismissal and a few have been terminated. Passengers occasionally were found trying to transport small quantities of opium (and were refused permission to do so) but no authorized transport occurred, and any which evaded controls could only have been isolated cases and small in quantity. As the narcotics problem has grown over the past few years, a series of steps were taken by the company to improve these rules and procedures against smuggling. The following statement of Mr. Paul Velte, Managing Director of Air America, presents the current status of this effort:

"Mr. Alfred W. McCoy today told the Senate Foreign Operations Committee: 'In Northern Laos, Air America aircraft and helicopters chartered by the U. S. CIA and USAID have been transporting opium harvested by the agency's tribal mercenaries on a regular basis.'

"This statement is utterly and absolutely false. AA and USAID have cooperated in a security program which effectively prevents the carriage of drugs on any of the airline's equipment. This program is constantly being reviewed to make sure that drug smugglers cannot misuse the company's facilities. There is an intensive program of inspection of both passengers and cargo carried out in close collaboration with local and U. S. authorities. At up-country sites, inspectors inspect all baggage of passengers and crew members departing from their stations. All cargo placed aboard up-country sites is inspected by members of the inspection service. All baggage of persons departing Vientiane on AA, CASI and Lao air development

are inspected. Where boarding passengers refuse to submit to inspection or are found to have contraband in their possession, they are denied the right to board the aircraft and their names are turned over to local Lao authorities. Through these and related measures, attempts by individuals to carry opium on company airplanes have been detected and prevented. These small time smugglers and users are the greatest threat and the security inspection service has constituted an effective deterrent.

"Through its many years in the Far East, AA and its employees have been well aware of the dangers of drug use and the drug traffic. It has been the policy of the company and its many loyal employees to do everything in their power to oppose any traffic in drugs. To this end there has been close cooperation between the company and U. S. and local authorities concerned with the drug problem.

"If Mr. McCoy or any other individual can bring any proof that any Air America employee has been connected in any manner with the drug traffic, appropriate disciplinary action will be taken and the matter referred to the proper authorities. "

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Remarks:

The attached has been prepared by the Executive Director. He asks for your review and comment ASAP. FYI: The letter will probably be published in the Congressional Record, after which additional publication is anticipated.

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FROM: NAME, ADDRESS AND PHONE NO.

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O/Executive Director /

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