

A Short History of CIA Intervention in Sixteen Foreign Countries

In July, 1947, Congress passed one of the most significant pieces of legislation in the history of America in peacetime. The National Security Act of 1947 created The National Security Council, the Department of Defense, the Joint Chiefs of Staff, the United States Air Force and, not least of all, the CIA. This act provided the Agency with five principal duties:

- 1. To advise the National Security Council on matters concerning intelligence.*
- 2. To make recommendations for the coordination of such intelligence matters.*
- 3. To correlate and evaluate intelligence relating to national security and disseminate it to other government departments.*
- 4. To perform "such additional services of common concern as the National Security Council determines can be more efficiently accomplished centrally."*
- 5. To perform "such other functions and duties as the NSC would direct."*

In 1949 Congress passed the Central Intelligence Agency Act, allowing the agency to disregard laws that required disclosure of information concerning the organization, to expend funds without regard to laws and regulations governing expenditures with no other accounting than the Director's vouchers, and to make contracts and purchases without advertising.

With such unprecedented authority, with unlimited access to money, with liberty to act without regard to scrutiny or review by either civilian or governmental organizations, the CIA has become a self-contained state. One observer ranks the CIA as the fourth world power, after the U.S., Russia, and China.

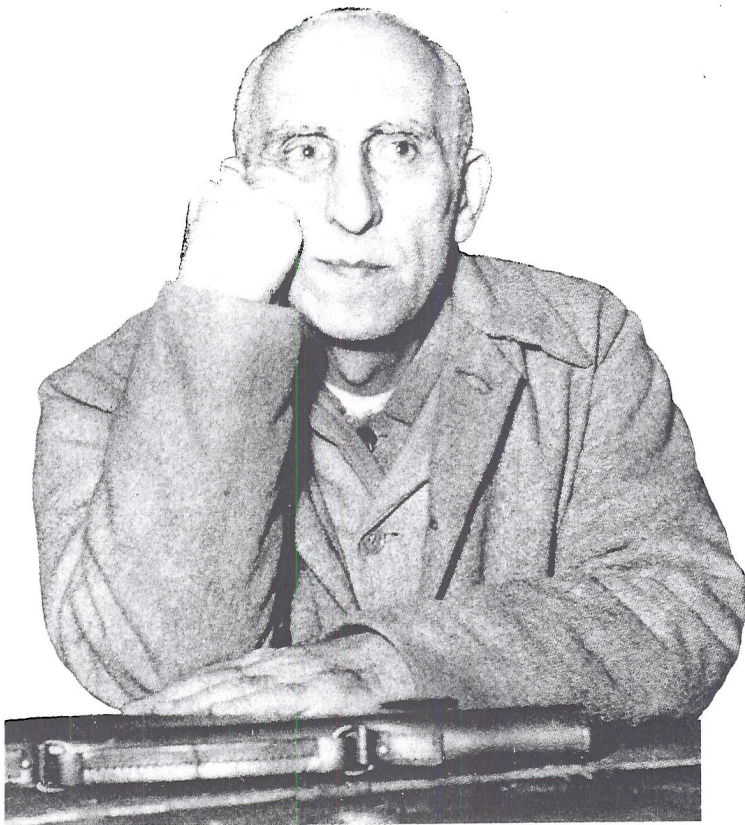
Partly because of the CIA's special "secret" status and partly because of the laziness of the press, the total history of CIA intervention in foreign countries has never been reported. What you read instead are fragments—an attempted bribe in Mexico last July, an assassination in Africa last November.

What emerges here is an atlas of intrigue but not a grand design; on the contrary, the CIA's record is as erratic and contradictory as that of any bureaucracy in the Federal stable. But you do begin to comprehend the enormous size of the CIA and its ruthless behavior. The rules permit murder, defoliation and drug addiction for political ends. Look at the record:



**Francis
Gary
Powers, U.S.**

Mohammed Mossadegh, Iran



BOLIVIA: 1964 An uprising of the Bolivian people and Army took the reins of power from the National Revolutionary Movement and appointed Antonio Arguedas as Minister of the Interior. Within two months he was approached by United States Air Force Colonel Edward Fox. Fox told Arguedas to resign his new post or economic aid to Bolivia would be suspended. Soon after his resignation Arguedas was approached by a known CIA operative and asked to co-operate with them in a secret mission, and in return the CIA, working behind the State Department's back, pledged to restore Arguedas as Minister of the Interior. When Arguedas was back in office the CIA requested that he exercise authority on an American mining claim. When Arguedas claimed that he could do nothing, the CIA attempted to frame him with pro-Castro/Guevara documents. Luckily Arguedas saw the ploy and related the entire story at a press conference held in Peru several days later.

BOLIVIA: 1971 A CIA "Brain trust" was formed for the specific purpose of gathering together exiled leaders of several Latin American countries. Victor Paz Estenssoro, former President of Bolivia, was contacted by the Agency while residing in Lima, Peru. A revolt was arranged to return Paz to power. But the agency's plans went unexpectedly awry when Colonel Hugo Banzer took over the office just prior to Paz's triumphant return.

BRITISH GUIANA: 1962-66 CIA operations in British Guiana revealed the extent to which the Agency has penetrated the mainstream of American life. Cheddi Jagan, the Marxist-oriented Premier of British Guiana was not trusted by the US. The CIA through operatives in AFL-CIO affiliated unions supported lengthy strikes in this small South American country in their eventually successful effort to overthrow Jagan. Approximately \$1,000,000 of American union and government money was channelled through the CIA-controlled affiliate unions.

BRAZIL: 1965 Organized labor again became a tool of the CIA in its effort to break up the politically active labor unions of Brazil. Masquerading as the International Federation of Petroleum and Chemical Workers, the CIA funnelled \$30,000 into various Brazilian petroleum unions, persuading them to join with the Interamerican Regional Organization of Workers, an AFL-CIO affiliate. So far the CIA has been successful in its efforts.

CHILE: 1970 With Marxist-leaning Salvador Allende as President, Chile is currently beyond the bounds of CIA activities. The policy of the agency is to "wait and see." The CIA hopes that Allende's socialization program will go sour with the peasants within the next year and a half, and that the country will be ripe for a takeover by Allende's predecessor, Eduardo Frei, a Christian Democrat.

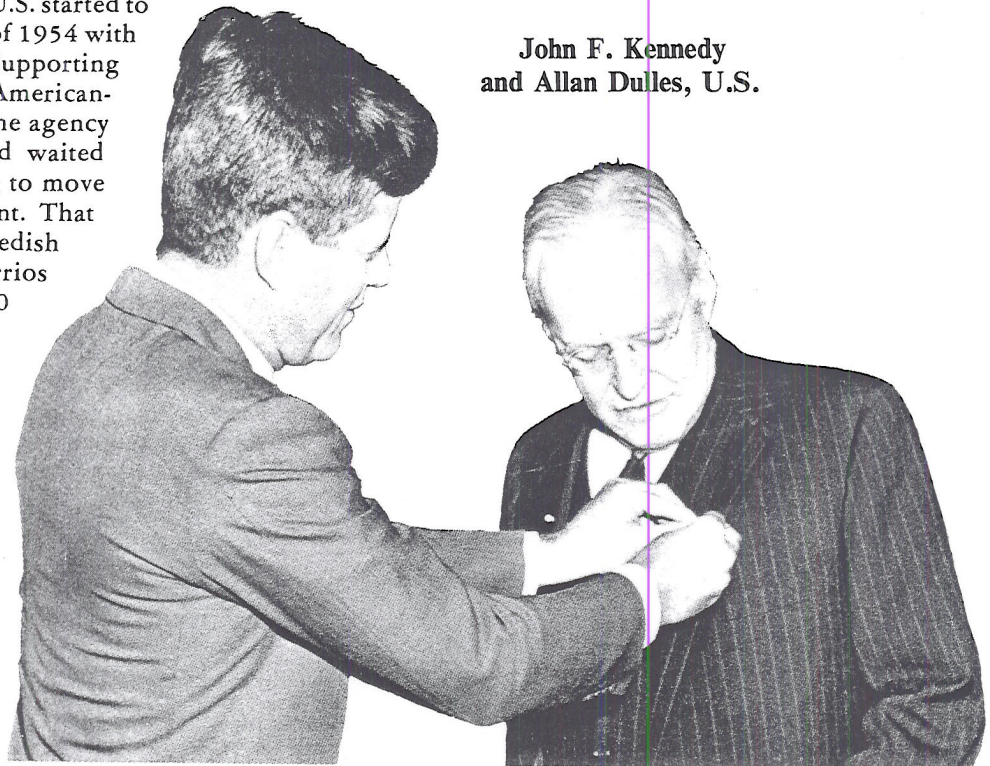
CONGO: The CIA, fearing Soviet influence on the new republic, chose to support Joseph Mobutu as their champion over Patrice Lumumba, whom the agency claimed was too much influenced by the Communists. Although there is no direct evidence there have been many implications that the CIA was instrumental in Lumumba's murder. Many of the CIA and State Department personnel were later moved nearly en masse from the Congo to Laos under the assumption that similar situations required similar solutions.

COSTA RICA: 1954-56 Jose Figueres was a moderate socialist who became President of this small democratic country in an open election in 1953. His presence was particularly bothersome to the CIA because of Figueres' government policy allowing asylum to anyone who desired it. The CIA accordingly saw this as a strain upon their intelligence gathering and surveillance capabilities. To get rid of Figueres the CIA engineered a twofold plan; first, to create embarrassment within the Communist Party, and second to somehow link Figueres with the Communists. The first succeeded in creating confusion within the State Department, since the straight diplomats hadn't been informed of the plan; and the second failed entirely. The agency also managed to work at cross purposes with the US Ambassador, who at the same time had been urging President Eisenhower to invite Figueres to Washington in order to lend him a measure of prestige.

DOMINICAN REPUBLIC: 1962 Through contacts with the CIA made by the American Consulate, two prominent landowners and former politicians conspired with the help of the CIA to assassinate Rafael Trujillo, the arrogant dictator of this small Caribbean nation.

EGYPT: 1952 Seeing no advantage in supporting the decaying monarchy of King Farouk, the CIA played an important role in support of the revolt that placed General Naguib and Gamal Abdul Nasser at the head of the country. Nasser, though, proved to be more independent than the US government would have liked; so the State Department convinced President Eisenhower to refuse American aid in building the Aswan Dam.

GUATEMALA: 1954 One of the most tragic examples of CIA intervention in foreign affairs was the Guatemalan Revolution of 1954. Jacobo Arbenz Guzman, the popularly elected socialist President of the small country was a man marked by the CIA. Guzman had become too friendly with the Soviet Union, and had committed the unpardonable sin of expropriating 225,000 acres of United Fruit Company holdings. The U.S. started to move against Guzman in June of 1954 with the CIA calling the shots. Supporting Carlos Castillo-Armas, an American-trained Guatemalan Colonel, the agency trained men in Honduras and waited patiently for the right moment to move against the Arbenz government. That moment came when a Swedish freighter docked at Puerto Barrios and prepared to unload 2,000 tons of Czechoslovakian armaments. The Arbenz government fell in ten days and Castillo-Armas' repressive regime took over, fully sanctioned by the CIA. One of the first actions of the new government was to appoint "defense committees" which could meet in secret and declare anyone a "Communist."



**John F. Kennedy
and Allan Dulles, U.S.**

Cheddi Jagan, British Guiana



INDONESIA: 1958 Washington became annoyed at President Sukarno's leftist tendencies. He had become friendly with the Soviets, began expropriating huge tracts of former Dutch properties, and welcomed a Communist coalition into his Jakarta government. With the wild riches of the Indonesian Archipelago at stake, the CIA took to the air to strike at the Sukarno government. Once again the familiar scenario emerged: the State Department denied everything while the CIA flew its B-26 bombers out of the southern Philippines, raining bombs on the small islands populated by Indonesians partial to Sukarno. When one American pilot was shot down over Ambonia in the Spring of 1958, the State Department in Washington was left to answer for the CIA.

IRAN: 1953 Mohammed Mossadegh, the Shah-appointed Premier of Iran, bowed to popular sentiment and nationalized the British-owned Anglo-Iranian Oil Company in 1953. The action spawned a boycott of Iranian oil and the economy began to falter. In the face of these conditions, the British and American governments decided that Mossadegh would be better done away with. Kermit (Kim) Roosevelt, the grandson of Teddy, illegally entered the country and began organizing CIA operatives to overthrow Mossadegh. Roosevelt did his job well. Mossadegh was promptly arrested and the Shah returned from unofficial exile in Rome. The incident also worked well for American business. The British lost their monopoly and a consortium of Gulf Oil, Standard Oil and Mobil Oil received 40 percent of the concession in a reorganization of the former company. Roosevelt later left the CIA officially to take a position with Gulf.

IRAQ: 1958 The CIA was less successful in Iraq than it was in Iran in 1953. The revolution killed King Feisal but the new government was faced with a series of revolts from various tribal factions who were angered at the murder of Feisal. This instability was encouraged by the CIA, who actively supported the tribes. Because of the oil companies, it was mandatory to maintain a friendly pro-Western government in Iraq, so the CIA worked to offset the Arab Unity cries beaming from Radio Cairo by setting up many of their own clandestine stations.

JORDAN: 1958 King Hussein's pro-Western sentiments had shackled pro-Arab factions within the country and weakened the all-Arab alliance. The CIA stayed in Jordan to protect these sentiments and successfully repulsed two separate rebellions against the crown.

LAOS: 1960-present Since the French withdrawal from Indo-China in 1954, Laos has been in turmoil. The CIA has been involved in every aspect of espionage activity over the past 20 years in Laos. In December, 1959, the high-living right-wing military leader, Phoumi Nosouvan, was assisted by the CIA in overthrowing the US State Department-supported government of Phoui Sananikone. Using rigged elections in April 1960, the CIA was able to keep Nosouvan in power. When Nosouvan himself was overthrown by a determined young paratrooper, the CIA assisted Nosouvan in setting up his military government further down the Mekong in the province of Savannaket. The State Department sided with the paratrooper, Kong Le.

With the North Vietnamese incursions onto Laotian territory, the CIA has been actively trying to organize the hilltribe people who are scattered throughout the mountains of Indochina.

PORTUGUESE ANGOLA AND MOZAMBIQUE: 1965 A number of planes were flown from the United States to Portugal for use against black liberation movements in these countries. During a rather bizarre trial, the two men apprehended openly admitted, just as Francis Gary Powers had before them, that they worked for the CIA and that the planes were flown across the United States and through Customs with the full knowledge of a number of government agencies. Seven planes eventually reached Africa.

URUGUAY: 1969-71 Using martial law to quell the student and worker disturbances in this bankrupt country, President Jorge Pacheco Areco, with the assistance of in-country CIA operatives, is pressing for an amendment to the Uruguayan constitution which would allow him to run again for President.

VIETNAM: 1955-present The CIA has been involved in a myriad of activities since the CIA's predecessor—the Office of Secret Services—left the Indochinese theater soon after WW II. The Agency's influence has permeated the entire range of US policy in Vietnam. It was the CIA which at first developed the "intimate" relationship between President Diem and Madame Nhu. It was also the CIA which plotted with the Buddhists several years later to have Diem assassinated.

The CIA was designed to collect intelligence, but as the scope of the war expanded, so did the agency. The CIA originated the "pacification effort" and agents were given carte blanche to make it work. With CIA funds they formed Revolutionary Development Cadre teams assigned to perform "good deeds" for the villagers. But their real function was to collect intelligence and serve as militia.

The Agency also set up the Vietnamese FBI and works closely with the USAID people to co-ordinate police activities at the village level. They were previously involved with the training of Montagnards in the Highlands of Central Viet-Nam but have since turned that responsibility over to the Special Forces. The CIA organized intelligence collection systems which could be co-ordinated with mobile CIA troops (The Provincial Recon Unit—PRU).

This short history of CIA activities defines three characteristics of the Agency's operations: 1) That the CIA will use any means to achieve its goals; 2) that its goals are contradictory and often only self-interested; 3) and that in pursuing the goals, the agency frequently contracts alliances that are, even in terms of the real politic that dominates CIA thinking, self-defeating to the United States.

The game goes on, because we allow it to. In the past, perhaps our acquiescence has been based on a feeling that it only happens over there, that CIA subversion has had no material effect at home. But in the light of recent research by Peter Scott [see pages 35 to 42] and others, it begins to look like the CIA is also a crucial force in the subversion of American culture. The means?

Heroin addiction. The CIA's natural ally? The National Crime Syndicate. The goal? Who knows?

—Victor Bedoian.

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Ngo Dinh Diem, Vietnam

Footnotes from *Heroin Traffic: Some Amazing Coincidences . . .*, appearing on page 45.

1. Samuel Eliot Morison, *The Oxford History of the American People* (New York: O.U.P., 1965), pp. 825-26. Pointing to the subsequent impact on all Latin America, Morison concludes that "The United States is paying dear today for Roosevelt's impetuosity in 1903."

2. For example the "nation-building" activities in Vietnam of the immigrant European liberal Joseph Buttinger can be compared to those of the French liberal Buneau-Varilla, "who had first caught the attention of the Seligmans through his activities in the Dreyfus case."

3. *Washington Post*, Dec. 22, 1963; quoted in Roger Hilsman, *To Move a Nation* (Garden City, N.Y.: Doubleday, 1967), p. 63.

4. David Wise and Thomas B. Ross, *The Espionage Establishment* (New York: Random House, 1967), p. 166.

5. Frank G. Wisner (OSS) came to the government in 1948 from the Wall Street legal firm of Carter, Ledyard and Milburn, which represented various Rockefeller, Whitney, and Standard Oil interests. As Director of the "Office of Policy Co-ordination," which became the CIA's Plans Division on Jan. 4, 1951, Wisner was in charge of the CIA's covert operations.

William Harding Jackson (Republican), Smith's Deputy Director in 1950-51, had been with Carter, Ledyard and Milburn from 1934 to 1947, and was now an investment partner of John Hay Whitney on the board of Bankers' Trust.

Allen Welsh Dulles (OSS, Republican), a war-time director of J. Henry Schroder Banking Corporation and long-time partner of Sullivan and Cromwell (linked with various Rockefeller and Schroder interests), succeeded Jackson as Deputy Director in August 1951.

Murray McConnel, President of the Manufacturers Capital Corporation on Wall Street, was the CIA's Deputy Director for Administration in 1950 and 1951.

Walter Reid Wolf (Republican), a Vice-President of the Na-

tional City Bank of New York and of its investment affiliate City Bank Farmers Trust, was a CIA Deputy Director (presumably McConnel's successor) from 1951 to 1953.

Robert Amory, Jr., son of a New York manufacturer who was a co-director of at least three Boston firms with directors of United Fruit, came to the CIA as Deputy Director for Intelligence from the Harvard Law School in 1952 (according to *Who's Who*).

Loftus E. Becker, of the Wall Street law firm Cahill, Gordon, Reindel and Ohl (representing the investment firms of Dillon Read and Stone and Webster) went on leave to the CIA in April 1951 and was named Deputy Director "for Intelligence" (according to the Martindale-Hubbard Law Directory, 1965, p. 4707) for a year beginning January 21, 1952.

All of these seven men except Becker were also listed in the select *New York Social Register*, and thus were members not only of New York's financial-legal elite but of its hereditary upper class. The known links between the CIA and Civil Air Transport-Air America date from this period, when New York finance enjoyed a monopoly over the CIA's top civilian appointments.

6. David Wise and Thomas B. Ross, *The Invisible Government* (New York: Bantam, 1965), pp. 115-16; *New Republic*, April 12, 1969, p. 8.

7. Wise and Ross, *Invisible Government*, p. 140.

8. *New York Times*, 20 September 1957, p. 7.

9. *The Pentagon Papers* (New York: Bantam, 1971), p. 137.

10. Arnold Dibble, "The Nine Lives of Cat-II," *Saturday Evening Post*, 18 May 1968, p. 50. *New York Times*, 11 November 1949, p. 14; 5 April 1970, p. 22; *Free China Review*, November 1963, p. 31. In 1949 the Kincheng Bank ostensibly severed its connections with CAT, in the vain hope of continuing to operate on the mainland. But Wang Wen-san, then Manager of the Kincheng Bank, is still Chairman of CATCL's Board, on which the KMT-Chinese Nationalists have three of the five seats. Air America pilots still circulate the rumor that "Madam Chiang owns the"

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- planes and we lease them from her" (*San Francisco Chronicle*, 2 April 1970, p. 31).
11. John R. Beal, *Marshall in China* (New York: Doubleday, 1970), p. 00.
12. US Congress, House, Committee on Un-American Activities, *International Communism: Consultation with Major-General Claire Lee Chennault*, 85th Cong., 2nd Sess., 23 April 1958, pp. 9-10; US Department of State, *US Policy in the Korean Crisis* (Washington: G.P.O., 1950), pp. 21-22.
13. *Time*, 15 October 1951, p. 23.
14. *New York Times*, 6 July 1951, p. 9; cf. June 9, 1951, p. 6; I. F. Stone, *The Hidden History of the Korean War* (New York: Monthly Review Press, 1969), p. xi. *The New York Times* wrote that "the soybean is expected to come under any Congressional inquiry of the China Lobby"; but no such inquiry ever took place. It may be relevant that Joe McCarthy himself took part in the profitable soybean speculations, on the advice of a Pepsi-Cola lobbyist.
15. The build up of US military airlift inside Korea was flown by CATCL, which soon boasted assets of some \$5.5 million, and income in the order of from \$6 to \$12 million a year (*Colliers*, 11 August 1951, p. 35).
16. Cleveland Amory, *Who Killed Society?* (New York: Pocket Books, 1960), p. 202.
17. One indication of this mutual advantage between political and economic concerns is the later convergence in the board of one enterprise (Cuno Engineering) of former CIA Director Bedell Smith, of his deputy director Murray McConnell, and of McConnell's successor Walter Reid Wolf who was involved in setting up CAT Inc.
18. *New York Times*, 5 April 1970, pp. 1, 22. Air America pilots, like Lockheed's U-2 pilots, are mostly recruited from the USAF, and are said to have the same rights of return into the USAF at the end of their "civilian" tour.
19. Transamerica Corp., the Giannini holding corporation, was in the late 1940's the largest stockholder in both banks, owning about 9 percent of Citibank, and 22 percent of the Bank of America.
20. *New York Times*, 8 April 1960, p. 62; US Congress, House, Committee on Armed Services, Special Subcommittee on National Airlift, *Hearings*, 86th Cong., 2nd Sess. (Washington: G.P.O., 1960), pp. 4616-50, 4730-34. The President of Pan Am testified that his company would have to release 300 pilots during the next six months "if traffic—other than normal civil traffic—doesn't become available." It has been noted that the Congressional compromise between the Pentagon and the commercial airlines contained "no recommendation about what to do if the combination of more strategic airlift and continuing guarantees to the (airlines) industry produced too much airlift in nonwar situations" (Frederick C. Thayer, *Air Transport Policy and National Security*, Chapel Hill, N.C.: University of North Carolina Press, 1965, p. 225). Thanks to the Laotian airlift and war, that problem was not faced.
21. Angus McDonald and Al McCoy, "Pan Am Makes the Going Great," *Scanlan's* (April 1970), p. 53. In 1961 Pan Am's Atlantic competitor, TWA, lost \$38 million. In 1962 Pan Am's total air cargo load rose 500 percent, thanks in part to the airlift in that year of US troops to Thailand.
22. Ed Reid, *The Grim Reapers* (Chicago: Henry Regnery, 1969), p. 219; Wallace Turner, *Gamblers' Money: The New Force in American Life* (Cambridge, Mass.: Houghton Mifflin, 1965), pp. 10, 274.
23. George A. Dole, Chief Executive Officer of Air America, Amos Hiatt, Treasurer, and Hugh Grundy, President of Air Asia, all were recruited from Pan Am and its foreign subsidiaries; just as William Pawley had worked for Pan Am's China subsidiary CNAC before setting up the Flying Tigers in 1941. One also notes that the "American fliers for Laos" who volunteered in response to the 1959 Laos "invasion" were recruited by Clifford L. Speer, a "major in the Air Force Reserve and civilian employee at Fort Huachuca, Arizona" (*New York Times*, 27 September 1959, p. 16).
- Pan Am has a contract at Fort Huachuca to conduct highly secret "electronics weapons" research for the USAF.
24. J. T. McAlister, *Vietnam: The Origins of a Revolution* (New York: Knopf, 1969), p. 228; cited in David Feingold, "Opium and Politics in Laos," in Nina Adams and Al McCoy (eds.) *Laos: War and Revolution* (New York: Harper, 1970), p. 335.
25. George Thayer, *The War Business* (New York: Simon and Schuster, 1969), p. 158, emphasis added. Even the US Government *Area Book for Thailand* (Washington: G.P.O., 1968), records of the KMT troops that "Their principal income allegedly comes from serving as armed escort for the opium caravans moving southward" (to Bangkok) (p. 454).
26. G. William Skinner, *Chinese Society in Thailand: an Analytical History* (Ithaca, N.Y.: Cornell U.P., 1957), p. 289.
27. UN Document E/CN.7/213 (communicated by the US Representative), 17 November 1950, p. 9.
28. E.g., statement of Harry J. Anslinger, then US Commissioner of Narcotics, before the Senate Committee on the Judiciary, *Illicit Narcotics Traffic, Hearings*, 84th Cong., 2nd Sess. (Washington: Government Printing Office, 1955), p. 13; U.N. Document E/CN.7/394, 29 April 1960, p. 2.
29. US Congress, Senate, Committee on the Judiciary, *Narcotic Control Act of 1956, Hearing*, 84th Cong., 2nd Sess., 4 May 1956, p. 34. Before the Tenth (1955) session of the UN Narcotics Commission, the US representative noted that from 200 to 400 tons of opium were imported annually south into Thailand across the Burma-Laos border, of which only 100 tons were consumed in Thailand itself (UN Document E/CN.7/303/Rev. 1, p. 34).
30. UN Commission on Narcotics Drugs, *Report of the Ninth Session* (1954), E/CN.7/283, p. 22.
31. UN Commission on Narcotic Drugs, *Report of the Thirteenth Session* (1958), E/CN.7/354, p. 26, cf. p. 22; *Report of the Fifteenth Session* (1960), E/CN.7/395, p. 19, cf. p. 18.
32. UN Commission on Narcotic Drugs, *Report of the Fifteenth Session* (1960), E/CN.7/395, p. 18.
33. UN Commission on Narcotic Drugs, *Report of the Fifteenth Session* (1960), E/CN.7/395, p. 15.
34. *San Francisco Chronicle*, 4 September 1970, p. 1. *Free China and Asia*, a journal published by the KMT agency responsible for chartering the CAT flights, gave details of Yunnan military operations and wrote of "plans to rise up in coordination with the efforts of the Tibetans against the Communist rule, particularly those in Yunnan and Sikang" (*Free China and Asia*, June 1959, p. 21; cf. January 1959, p. 10).
35. Wilfred Blythe, *Impact of Chinese Secret Societies in Malaya* (London: Oxford U.P., 1969), pp. 190, 250.
36. Cf. (e.g.) UN, Committee on Narcotic Drugs, *Report of the Seventeenth Session*, E/CN.7/432, p. 15.
37. Blythe, pp. 449, 441.
38. Blythe, pp. 441-42.
39. William Skinner, *Chinese Society in Thailand, An Analytical History* (Ithaca, N.Y.: Cornell U.P., 1957), pp. 120-21.
40. Skinner, p. 337.
41. UN Document E/CN.7/210, 3 November 1950, p. 3.
42. H. R. Isaacs, *The Tragedy of the Chinese Revolution* (Stanford, Cal.: Stanford U.P., 1951), pp. 81, 142-46; Y. C. Wang, *Journal of Asia Studies*, May 1967, p. 437; Blythe, pp. 28-29, 21.
43. UN, Commission on Narcotic Drugs, *Report of the Eighteenth Session*, E/CN.7/455, p. 10.
44. Will Oursler and L. D. Smith, *Narcotics: America's Peril* (Garden City, N.Y.: Doubleday, 1952), p. 87.
45. E/CN.7/394, 29 April 1960, p. 8.
46. Ross Y. Koen, *The China Lobby in American Politics* (New York: Macmillan, 1960), p. ix.
47. Joseph Keeley, *The China Lobby Man* (New Rochelle, N.Y.: Arlington House, 1969), p. 148, emphasis added.
48. Michael Straight, "Corruption and Chiang Kai-shek," *New Republic*, 8 October 1951, p. 12.
49. *New York Times*, 16 February 1961, p. 9; *Singapore Straits—*

Times, 20 February, 1961, p. 1.

50. *APACL—Its Growth and Outlook* (Taipeh: APACL, 1960).

51. *Christian Science Monitor*, 16 June 1970, p. 8; cf. 29 May 1970, p. 14: "Clearly the CIA is cognisant of, if not party to, the extensive movement of opium out of Laos. One charter pilot told me that 'friendly' opium shipments get special CIA clearance and monitoring on their flights southward out of the country. The same source alleged two or three flights without this 'protection' crashed under mysterious circumstances."

52. US Note of 29 April 1960 to UN Commission on Narcotic Drugs, E/CN.7/394, p. 2.

53. E/CN.7/394, p. 1; *Free China and Asia*, January 1959, p. 10.

54. Bernard Fall, *Anatomy of a Crisis* (Garden City, New York: Doubleday, 1969), p. 99.

55. The Thai police favoritism shown the KMT during 1952–1954 had been disavowed in 1956; and Prime Minister Phibun stated at a public press conference, "The Kuomintang causes too much trouble: they trade in opium and cause Thailand to be blamed in the United Nations" (Skinner, p. 343). The next year Phao was ousted from power by the present military rulers of Thailand, amid reports that Phao, "a sort of local Beria . . . ran the gold exchange and opium trade" (*New York Times*, 6 November 1957, p. 34).

56. UN Commission on Narcotic Drugs: *Report of the Seventeenth Session* (1962), E/CN.7/432, p. 11.

57. APACL, *Free China and Asia* (October, 1959), p. 14.

58. *Free China and Asia*, October 1959, p. 31.

59. In fact Veba Akhat was little more than a front for the Nationalist Chinese airlines from which it chartered six planes and pilots. On 19 February 1961, four days after the CAT/ECRA

plane was shot down by the Burmese, a Veba Akhat C-47 leased from a Taiwan company was shot down over Laos; four of the six personnel aboard were said to be Nationalist Chinese officers. (*Bangkok Post*, 22 February 1961, p. 1; *Singapore Straits Times*, 22 February 1961, p. 3). The same year Taiwan's second airline, Foshing, reported a decrease in its air fleet from three C-47's to two. Foshing Airlines was headed by Moon Chin, a former Assistant Operating Manager of Pan Am's China subsidiary, CNAC, under William Pawley.

60. *Bangkok Post*, 18 April 1964.

61. *San Francisco Chronicle*, 16 August 1971, p. 12.

62. It is striking that in 1961, when the CIA inaugurated covert air operations from Saigon against North Vietnam, it spurned the available planes and facilities of CAT at Saigon's Tan Son Nhut airport and set up a new, unrelated "proprietary," "Aviation Investors, Inc.," d/b/a/ Vietnam Air Transport. Vietnam Air Transport is said to have hired Nguyen Cao Ky, then fired him after learning that he used his "Operation Haylift" flights as a cover for opium-smuggling from Laos to Saigon.

63. Stanley Karnow once named a "debonaire, pencil-moustached Corsican by the name of Bonaventure Francisci" as one of the top opium-runners in Laos ("The Opium Must Go Through," *Life*, 30 August 1963, p. 12). The Francisci family has been linked to the Spirito-Venturi arm of the Corsican mafia in Marseilles, which in turn reaches to America through Syndicate associate Vincent Cotroni of Montreal (US Congress, Senate, Committee on Government Operations, *Organized Crime and Illicit Traffic in Narcotics, Hearings*, 88th Cong., 2nd Sess., Washington, G.P.O., 1964, pp. 956, 961; cited hereafter as *Narcotics Hearings*.) This

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Corsican traffic dates back at least to the 1950's, according to Martin Pera, a senior Narcotics Bureau official: "When French Indochina existed, there were quantities of opium that were shipped to the labs . . . around Marseilles, France, to the Corsican underworld there, and then transhipped to the United States" (US Congress, Senate, Select Committee on Improper Activities in the Labor or Management Field, *Hearings*, 85th Cong., 2nd Sess. (Washington: G.P.O., 1959), p. 12225 (cited hereafter as *McClellan Hearings*)).

64. In 1965 Bird's air fleet was sold to Continental Air Services, a newly created subsidiary of Continental Air Lines headed by Robert Rousselot, a CAT and Air America veteran. The sale price was said to have been over \$1 million (*Wall Street Journal*, 23 August 1965, p. 20; Continental Airlines, *Annual Report*, 1965, p. 13; *New York Times*, 27 August 1964, p. 6).

65. US Congress, House, Committee on Government Operations, *US Aid Operations in Laos*, House Report No. 546, 86th Cong., 1st Sess. (Washington: Government Printing Office, p. 1959), p. 2; *Hearings*, p. 327; *New York Times*, 24 March 1959, p. 19.

66. *New York Times*, 2 February 1962, p. 8.

67. Stanley Karnow, *Washington Post*, 16 March 1970, A10. Theodore Sorenson records that "Chiang was . . . vexed with Kennedy . . . over our quiet pressure for the removal of his foraging force from Burma" (*Kennedy*, New York: Harper, 1965, p. 661.) The KMT lobbied publicly for these troops to be given the job of stopping communism as a "volunteer force" in Laos (*Free China and Asia*, December 1960, pp. 5-6); and were supported in the USA by elements in the Pentagon and American Security Council (including Admiral Felix Stump, Air America's Board Chairman). Western Laos was the area of the celebrated "opium battle" of July 1967, between 800 KMT troops and the forces of the opium-smuggling Laotian general Ouane Rathikoune, who also figures prominently in the Laotian invasion fraud of September 1959; *San Francisco Chronicle*, 16 August 1971, p. 12; Feingold, in Adams and McCoy, *Conflict in Laos*, p. 323; Frank Browning and Banning Garrett, "The New Opium War," *Ramparts*, May 1971, p. 34.

68. *New York Times*, 19 March 1964, p. 4; *Bangkok Post*, 20

March 1964; *New York Times*, 27 August 1964, p. 6; *South China Morning Post*, 22 June 1964, p. 1; *Saturday Review*, 11 May 1968, p. 44.

69. *McClellan Hearings*, pp. 15262-72.

70. Hank Messick, *Lansky* (New York: G. P. Putnam's, 1971), p. 89. In 1968 Citibank refused to produce a \$200,000 certificate of deposit which had been subpoenaed in an investigation of stock fraud. (*New York Times*, 1 December 1969, p. 42).

71. *New York Times*, 13 May 1950, p. 34.

72. Pawley, on the advice of President Roosevelt and Tommy Corcoran, set up the Flying Tigers under a secret presidential executive order, exempting him from the neutrality provisions of the US code (Anna Chan Chennault, *Chennault and the Flying Tigers*, New York, P. S. Eriksson, 1963, pp. 76-83). In 1949 Pawley petitioned the State Department to secure similar authorization for the Commerce International (China) mission, but was turned down (US Congress, Senate, Committee on Judiciary, *Communist Threat to the United States through the Caribbean*, *Hearings*, 86th Cong., 2nd Sess., testimony of William D. Pawley, 2 September 1960, p. 729). Admiral Charles Cooke, later a member of the American Security Council, proceeded anyway.

73. *Washington Post*, 9 September 1951, A1, AS; reprinted in Congressional Record, Senate, 10 September 1951, p. 11066-67; *Reporter*, 29 April 1952, pp. 10-11; Koen, p. 50.

74. T. A. Wise, "The World of Alexander Guterma," *Fortune*, December 1959, p. 160. Also figuring in the Guterma scandals were Matthew Fox, a former registered lobbyist for Indonesia with possible CIA connections (Chester Cooper, *The Lost Crusade*, New York, Dodd Mead, 1970, p. 52), and William Brann, a former intelligence agent. Guterma himself came from Shanghai and the Philippines, and used Philippine capital to launch himself into Florida land development.

75. Through Chesler's Seven Arts Productions, Ltd.; of Messick, *Lansky*, p. 228; Ed Reid, *The Grim Reapers*, p. 107.

76. Messick, *Lansky*, p. 211.

77. *McClellan Hearings*, p. 12246.

78. The company's president was an officer for the realty investment interests of Lindsey Hopkins, Jr., himself an officer of CIA proprietaries in Miami (e.g. Zenith Enterprises and Melmar, Inc. in the 1960's). As a director of Sperry Corp. and its subsidiaries, Hopkins had been linked to William Pawley's establishment of the Flying Tigers in 1941 (through a Sperry subsidiary, Intercontinent Corp.). Through the Carl G. Fisher Corporation, Hopkins inherited a fortune in Miami Beach hotels, and took part in the post-war land boom in the Bahamas. One of his business associates, the former singer Morton Downey, was also involved in a Las Vegas casino.

79. *New York Times*, 1 December 1969, p. 42.

80. *New York Times*, 14 August 1959, p. 11; Messick, *Lansky*, p. 268. Allan Dorfman, whose friendship with Hoffa helped win the Teamsters' insurance contract for US Life in 1950, has recently been indicted for accepting kickbacks on Teamster loan to the Neisco Corp. (*San Francisco Chronicle*, 15 July 1971, p. 5). Neisco's Chairman G. A. Horvath was Board Chairman and principal owner of the Miami National Bank in 1964.

81. The Thai King's general counsel in New York from 1945 to 1950, Carl O. Hoffmann of OSS, is today Board Chairman of the First Florida Resource Corp.

82. Reid, *Grim Reapers*, pp. 225-26.

83. Reid, *Grim Reapers*, p. 296.

84. Messick, *Lansky*, p. 241.

85. In March 1970, for example, Air America flew in several hundred Thai troops to defend the CIA's Meo outpost at Long Cheng (*New York Times*, 5 April 1970, p. 22; *Flight International*, 16 July, 1970).

86. Eliot Marshall, "Heroin: The Source of Supply," *New Republic*, 24 and 31 July 1971, p. 24: "Shutting down the Turkish opium route . . . is likely to do no more than drive the industry further east."

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