

Thai Company Gets the Business

CIA Airline Leaving Thailand

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BANGKOK, June 3—Air America, the airline that for years has served the Central Intelligence Agency and other U.S. government agencies in Asia, will cease all operations in Thailand by the end of June, the U. S. Embassy announced today.

The announcement comes as Air America's extensive operations here have come under criticism from Thai students, and the U. S. government today signed a contract transferring Air America's airplane maintenance contracts to a Thai corporation.

The corporation, Thai Airways Aircraft Maintenance Co., Ltd., known generally as Thai Am, will operate under Thai law and not benefit from the special privileges and immunities that Air America enjoyed, sources said.

These included exemption from Thai taxes and immigration and customs inspections, which powerful student factions viewed as violations of Thai sovereignty.

The signing of the Thai Am contract took place today in a special ceremony at Thailand's ornate supreme military headquarters here.

Thai Am officials say the firm is an American-managed company that is 70 per cent Thai and 30 per cent American-owned.

There are 10 American management specialists and 1,200 Thai managers and workers, Thai Am officials said. The company operates "the most reliable and advanced aircraft repair facility in Southeast Asia" at Bangkok's International Airport, they said.

Although the contract was signed by a low-ranking U.S. Air Force officer and a representative of Thai Am, also present was a group of important Thai and U.S. officials, including Thai Air Chief Marshal Dawee Chulasapya and Maj. Gen. Thomas Melle, commander of the U.S. military assistance command in Thailand.

Political observers said the high officials are eager for political benefit from the apparent lessening of U.S. influence here that the Air America departure implies.

Students, who have been a powerful political influence here since they overthrew the military government late last year, this weekend asked the government of Prime Minister Sanya Dharmasakti to do something about the privileges and immunities of Air America.

Except for a local television station, members of the press were not allowed to attend today's ceremony, and the terms of the contract were not officially announced.

Thai Am officials said, however, that the \$1.35 million, one-year contract called for servicing airplanes at Udorn air base near the Laotian border 300 miles northeast of Bangkok. It could not be learned what kind of planes are involved.

Air America planes operating from Udorn carried out troop movements, resupply missions and other clandestine operations during the years of the U.S. secret war against Communist-led forces in Laos and their North Vietnamese allies.

With the February 1973 cease-fire in Laos, and the recent formation of a coalition government there, Air America's operations are no longer necessary and have reportedly been phased out.

The U.S. embassy in Vientiane recently announced that all Air America operations in Laos would end this Tuesday, which marks the end of first 60 days of the new coalition government and the deadline for the departure of all foreign troops under the cease-fire agreement.

The U.S. embassy here said today that Air America has recently had 1,600 Thai and 250 U.S. and third-country employees working in Thailand, mostly at Udorn.

Many of these may be employed by Thai Am, the announcement said, but neither

U.S. nor Thai Am officials could say how many.

It was not announced what would happen to Air America's planes in Thailand or how the termination of its contract here fits into its general pattern of activities in Asia.

Air America operates in Cambodia and South Vietnam and maintains a large maintenance facility in Taiwan.

In Cambodia, reliable sources said that Air America's contract to repair government air force planes will soon be terminated and the contract given to Thai Am.

Thai Am officials here said today they knew nothing of this.

Air America officials here could not be reached for comment.

[Hugh Grundy, president of Air America at the company's Washington headquarters said he had "no comment for the moment" about the future of the company operations in Cambodia or other parts of Asia.]

According to documents furnished by the Thai Am office at Bangkok airport and read over the telephone by a secretary, Thai Am was funded in 1967.

It is incorporated in Thailand, and 70 per cent owned by Thai Airways, a government-owned domestic airline, the secretary said.

The other 30 per cent is owned by Consolidated American Services Inc., a subsidiary of Automation Industries of Los Angeles, she said.



United Press International

Vietcong prisoners, in black uniforms, clear up debris following Communist shelling of their camp near Bienhoa.

David Meyer, Thai Am' sales and marketing manager, said over the telephone that automation industries is the "parent company." He said it was a "conglomerate" with a number of subsidiaries like Consolidated American.

He said other subsidiaries do such things as operate a bomb test site at Eglin air force base in Florida; carry out tests for railroads; run a desalinization plant in Saudi Arabia and make altimeters and other electronic devices for the aerospace industry.

Thai Am's secretary said that the company "is a com-

mercial venture, not government-subsidized."

No one in the U.S. Embassy, at Thai Am or among political circles here suggested today that Thai Am is in any way linked with the Central Intelligence Agency.

Air America has been the clandestine air arm of the CIA since the late 1940s. Air America was originally called CAT, or Civil Air Transport, and was organized after World War II by Gen. Claire Chennault and other Americans.

It flew air support for Chiang Kai Shek's forces when they were fighting on mainland China and helped

the French during their Indochina war.

Last U.S. Servicemen Withdrawn From Laos

From News Dispatches

VIETNTIANE—The United States today withdrew the last of the military men from Laos, ending a decade of direct military involvement in the kingdom's civil war.

A U.S. Embassy spokesman said that 185 military personnel had departed in recent weeks. It is believed that at the peak of the U.S. involvement American military personnel had totalled 600 to 700.

The Laotian peace accords specify that all foreign troops are to be out of the country by June 4. The last of more than 17,000 Thai troops pulled out two weeks ago, but military sources say there is no evidence that North Vietnamese has withdrawn any of the estimated 25,000 to 30,000 troops it has along its supply lines through southeast Laos to the Communist forces in South Vietnam.

Informed sources said the United States will probably continue reconnaissance flights over Laos in order to keep tabs on North Vietnamese troop movements.