

Secretive Air America

The Line That Flies the Spies

By Richard Halloran
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Washington

As the American-supported clandestine army went on the attack in Laos again last week, pilots of a flamboyant airline called Air America took to the skies once again to move its troops, provide its supplies and evacuate its wounded.

Air America is a flight charter company that, like the clandestine Army, is widely considered to be the servant of the United States Central Intelligence Agency.

With its assorted fleet of 167 aircraft, Air America performs diverse missions across East Asia from Korea to Indonesia. It is believed to be a major link for the CIA's extensive activities throughout Asia.

Agents

Air America parachutes Meo tribesmen and other secret agents behind North Vietnamese lines in Laos, trains mechanics for the aviation division of the national police in Thailand, hauls American aid cargo for the Agency for International Development in South Vietnam, ferries U.S. Air Force men from Okinawa to Japan and South Korea, and dispatches intelligence flights from Formosa along the coast of Communist China.

The company also transports helicopters from France and Italy for assembly in Southeast Asia, flies prospectors looking for copper and geologists searching for oil in Indonesia, and provides pilots for commercial airlines such as Air Vietnam and Thai Airways and for China Airlines, which is on Formosa.

FACADE

Air America's civilian facade permits the U.S. to do things that would otherwise be impossible or, at least, politically embarrassing. The 1962 Geneva Accords, for instance, prohibit foreign military aircraft in Laos but they say nothing about civilian planes. The facade also averts public attention in countries such as Japan that are sensitive to the American military presence.

Then too, intelligence services the world over have always used businesses as a cover. Air America gives the CIA and other government agencies controlled and secure transport. On the economic side, commercial work enables the company to keep its large fleet busy when part might be idle.

The outfit exudes an air of oriental adventure out of Milton Caniff's comic strip "Terry and the Pirates." It has the flamboyance of the late Lieutenant General Claire L. Chennault's wartime Flying Tigers, from which it is descended. Working for Air America demands the resourceful skill of the bush pilots who have explored the unknown reaches of northern Canada, the South American highlands and Africa.

DUTY

Those who have seen Air America's pilots on the job in Asia say they have a sense of dedication and duty. They take more than routine risks and some have gone down in Asian jungles, not to be seen again.

Most of the company's aircraft, like those of regular airlines, carry its name, though some are unmarked. The fleet includes long-haul jets, the C-46 and C-47 propeller craft that were the workhorses of World War II. A variety of helicopters and the latest in single-engine and twin-engine utility planes. Air America also borrows Air France planes.

The line's headquarters in Washington looks much like the offices of other medium-size businesses — conservatively dressed executives,

U.S. Loses 2 Planes In Laos

Vientiane

Two United States Air Force planes flying raids against Communist forces in support of the Laotian government were shot down Monday and one American pilot was killed, it was announced yesterday.

The losses brought to 15 the total of U.S. aircraft reported downed over Laos since the U.S. command in Saigon began releasing such information on March 10. Another plane with two Americans is listed as missing.

United States military spokesmen said the pilot of an F-105 supersonic fighter was killed when his jet fighter was hit by ground fire and crashed in the lower panhandle of Laos. He was the fifth American airman to die in Laos.

Ground fire also knocked down a propeller-driven Skyraider fighter-bomber over the Plain of Jars on Monday but the pilot was rescued uninjured, officials said.

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atives, mini-skirted secretaries, bits of Asian art on the walls, a reddish-orange carpet to lend a touch of cheer.

EXECUTIVE

The chief executive of Air America is George A. Doole Jr., a low-key 60-year-old businessman who holds a master's degree from the School of Business Administration at Harvard. Before joining Air America in 1952 he was the chief pilot of Pan American and pioneered trans-Atlantic air routes before World War II.

In Asia the general manager is Hugh L. Grundy, 55, who is described by acquaintances as a quiet, shy man. He too is an alumnus of Pan American, having been an engineer with the line before the war and then having served in China. His headquarters is in Taipei, Taiwan.

The CIA evidently has at least two channels into Air America — one through the holding company atop the corporate structure of Air America and its affiliates, the other through charter arrangements under the guise of contracts with AID. Gleanings from those contracts, which have been made available to the New York Times, show the extent of the operations.

PARENT

The CIA declines to comment on this subject, and AID officials refuse to discuss intelligence operations.

Doole, in an interview, brushed the matter aside. "If 'someone out there' is behind all this," he said, "we don't know about it."

The parent company of Air America is the Pacific Corporation, which was incorporated in Delaware in 1950 with \$10,000. Doole said the shares were privately held, mostly by the five members of the board of directors. The corporation and its subsidiaries employ about 9300 people.

The Pacific Corporation owns 100 per cent of Air America, which is also a Delaware Corporation founded in 1950. The line owns 125 aircraft and leases 42 more. It employs about 4700 people, some 400 of them pilots, and has bases in Okinawa, Formosa, South Vietnam, Thailand and Laos.

REPAIR

Air America, in turn owns 99 per cent of Air Asia, which

was set up in 1955. Air-Asia claims the finer aircraft maintenance and repair facility in Asia, Taiwan.

In addition, the Pacific Corporation owns 40 per cent of Civil Air Transport, incorporated under Chinese nationalist law on Formosa. It was founded in 1946 by Chenault.

There is also a separate operating division of Air America known as Pacific Engineering. Its functions are obscure.

"We're all one family," Doole said. "You can't tell one from the other. We tie them together with contracts and don't even keep separate books except for tax purposes."

A glance at the boards of directors of the companies bears out the point. Most of the boards, which are made up of reputable businessmen, overlap.

PARTNER

Samuel A. Walker, chairman of the Pacific Corporation, is a managing partner of Joseph Walker 9 sons, a New York banking house. He is also a director of Air America.

The chairman of Air America, and Air Asia is Adm. Felix B. Stump, who was commander in chief of United States forces in the Pacific from 1953 to 1959. Doole holds the title president of the Pacific Corporation and chief executive of Air America and Air Asia.

Robert G. Goelet, William A. Read and Arthur B. Richardson are directors of all three companies. Goelet has extensive holdings in New York Real estate, Read is a retired member of the investment house of Dillon, Read & Co., and Mr. Richardson was formerly president of Chesebrough-Pond's.

Air America's greatest assets are its pilots, mostly Americans but including some Chinese and Thais. They are all well paid. After six months many make \$20,000 to \$30,000 a year, plus extras for hazardous missions.

PILOTS

Like conventional lines, Air America says it draws most of its pilots from those leaving the Air Force. Other sources say that some of the pilots are still in service. According to these reports, they go through the motions of leaving the Air Force, don civilian clothes—and collect the higher pay—and then return to the Air Force when their assignments with Air America are finished.

Air America's continuous expansion of its activity in Laos since 1962 is the story of the growing American involvement in the conflict there. Air America has been essential to the development of the clandestine army of Major General Vang Pao, which has been recruited, trained, supplied and advised by the CIA.

Air America began supplying food and weapons to the Meo hill tribesmen even before the pro-Communist Pathet Lao resumed the war against the government of Prince Souvanna Phouma in 1964. The Meos were viewed as the best fighters in Laos while the French-trained Laotian army was considered lethargic.