

TRANSMITTAL SLIP		DATE
		27 OCT 1971
TO: <i>ADD-3</i>		
<i>DDI</i>		
ROOM NO.	BUILDING	
REMARKS:		
<p><i>PER OOR CONVERSATION</i></p> <p><i>Re Air America's</i></p> <p><i>Relationship with</i></p> <p><i>Thais</i></p>		
<div style="border: 1px solid black; padding: 2px;"> APPROVED FOR RELEASE <input type="checkbox"/> DATE: 29-Apr-2009 </div>		
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FROM: <i>SA/OPS</i>		
<i>Loas</i>		
ROOM NO.	BUILDING	EXTENSION

FORM NO. 241
1 FEB 55

REPLACES FORM 36-8
WHICH MAY BE USED.

(47)

6 OCT 1971

*International News***CIA muscling in on Thai businessmen**

BANGKOK — The manager of Thai Airways has complained to the U.S. Embassy here that Air America, the Central Intelligence Agency's owned and operated air line, has been picking up passengers inside Thailand and thereby competing with the Thai airline.

Prasong Suchiva, manager of Thai Airways, said his line had the sole right to pick up domestic passengers in Thailand. Air America is used mainly for transport of war materiel and personnel for the U.S. war of aggression in Indochina.

8 OCT 1971

CIA Closes School After Drug Arrest

PHNOM PENH (UPI) -- The U.S. Central Intelligence Agency closed a secret school for training Cambodian army guerrillas in Laos when police arrested a high-ranking Cambodian officer at the school on heroin-smuggling charges, military sources said.

The officer was a top aide of Lt. Col. Lon Non, brother of Prime Minister Lon Nol, the sources said.

Since his arrest in June, the aide has been released and, dressed in civilian clothes, has resumed duties in Phnom Penh at Lon Non's super-secret Special Coordination Committee.

The Cambodian army, in the meantime, has established a new guerrilla training center in southern Laos, and the CIA is once again considering providing American instructors and equipment, the officers said.

The Lon Nol aide was arrested in Pakse, Laos, by local police when he attempted to board a Phnom Penh-bound Air America plane with 22 pounds of heroin in a soapflake box, the sources said.

The heroin would be worth almost \$12,000 on the Vietnam market.

American officials were informed, and concluded after investigation that the heroin was bound for U.S. troops in South Vietnam.

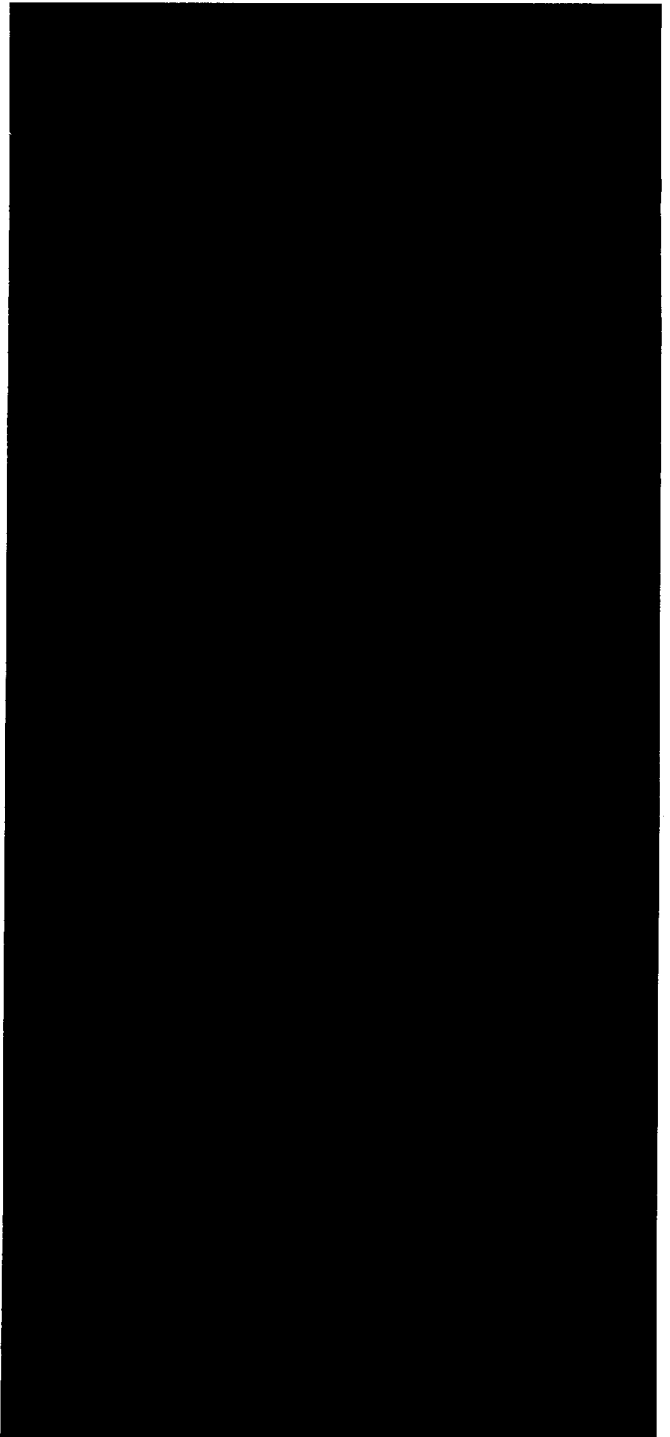
The secret CIA camp, at Nakorn Sin in southern Laos, subsequently ordered out all Cambodian officers and trainees from Lon Non's 15th Infantry Brigade, the officers reported.

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PHILADELPHIA, PA.

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M - 463,503

S - 867,810

CIA's Super-Secret 'Air Force' in

By JAMES McCARTNEY
Of Our Washington Bureau

WASHINGTON. — The CIA, in super-secrecy, is running an airline in Southeast Asia, with as many planes as Pan American — and about as many employes as the CIA itself — some 18,000.

Though virtually unknown to the U.S. public, which pays the bills, it ranks in numbers of planes among the half-dozen largest U.S. air carriers.

The airline is called Air America, Inc., and it is probably the world's most secretive airline.

Its pilots — supposedly "civilians" — have manned T-28 fighter bombers on raids in Laos, according to the Pentagon Papers.

They often fly hazardous missions in Laos carrying troops into battle — and the wounded out.

They play the role of a part-time air force to many "irregular" or guerilla fighters for a secret, CIA sponsored guerilla army in Laos.

Says a former CIA official:



VICTOR MARCHETTI
...quit CIA

"Without Air America there could never have been a Laotian war."

Air America also carries freight, owns and operates Asia's largest aircraft maintenance facility, carries passengers, evacuates refugees, drops rice to the starving — and carefully hides if activi-

Southeast Asia

Employs 18,000

ties.

The story of Air America is one of the most intriguing of the U. S. involvement in Southeast Asia, shrouded in Oriental mystery.

Its mysteries, however, have now attracted the attention and concern of congressional investigators.

For the first time they have become fascinated with Air America — as well as with other CIA-related airlines that long have provided "cover" for clandestine U. S. activities.

Air America is simply the largest of a highly complex structure of secret, and semi-secret, CIA-related corporations with interests in air power.

"Nobody on Capitol Hill seems to know exactly what Air America does," says one investigator.

"But I can guarantee you that we're trying to find out."

The corporation has every outward sign of complete legitimacy — a Wall Street board of directors, thickly carpeted offices in Washington, neatly marked and maintained aircraft in the Far East often doing yeoman service for the U. S. government.

Many of the services of Air America are completely open in Laos, Vietnam, Thailand, Taiwan, Hong Kong and Japan.

But then there is the covert side.