

Journal - Office of Legislative Counsel  
Monday - 3 July 1972

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5. (Unclassified - GLC) Placed a call to Mr. Robert Lang, Administrative Assistant to Representative Les Aspin (D., Wis.), to talk with him about the Congressman's letter of 27 June to the Director on the subject of alleged Agency involvement in the illicit drug traffic in Southeast Asia. Lang referred me to Mr. William Broydrick, of the staff, who he said was handling this matter. I told Broydrick we had just received the Congressman's letter, and they no doubt had the Director's interim reply to the letter as it was printed in the Congressional Record (he acknowledged they did). I told him we were most interested in obtaining the additional information which Aspin said he had acquired from Alfred McCoy. I said we were most anxious to fully investigate these allegations and put them to rest. He said he would be happy to give us the information and we will pick it up from their office on Wednesday morning. Broydrick commented that he and another member of the staff who were working on this subject had top secret clearances and were anxious to get a full briefing on this subject. I told him once we received the information and had conducted our investigation we planned to be back in touch with Mr. Aspin and see where we went from there. Broydrick asked if we had talked with McCoy and I told him we had not to my knowledge but having been present at McCoy's testimony before Senator Proxmire's Subcommittee and at his press conference thereafter, I had the impression that McCoy was not particularly interested in talking with Government officials. In this connection I cited his response to a question as to whether he had discussed his allegations with Ambassador Godley. He responded he saw no point in talking with Godley since he knew what his position would be with respect to the allegations.

6. (Unclassified - GLC) Received a call from Mr. Luis Valleja, an intern in the office of Representative J. J. Pickle (D., Texas), in connection with their interest in talking with someone about the Agency. I told Valleja  of our office, plans to be in touch with them on Wednesday.

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Acting Legislative Counsel

cc:

O/DDCI   
Mr. Houston Mr. Thuermer Mr. Clarke  
DDI DDS DDS&T EA/DDP OPPB

25X1A

\*ARMY and STATE Department review(s) completed.



Dear Congressman Aspin:

As you may know, recently I testified before the Subcommittee on Foreign Operations of the Senate Appropriations Committee concerning my research into drug traffic in Southeast Asia. I believe that U.S. officials are covering-up massive drug traffic in Southeast Asia and concealing the evidence of the involvement of our Southeast Asian allies. Since my testimony, both the State Department and the Bureau of Narcotics and Dangerous Drugs (BNDD) have publicly attacked my findings. I stand fully behind my testimony and believe until the basic facts are admitted, heroin will continue to pour into this country from Southeast Asia.

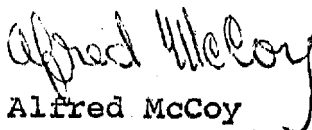
I am enclosing a detailed rebuttal of statements by both the State Department and BNDD which reveal that the American government is not only covering up the evidence, but at the same time, various government officials are contradicting one another.

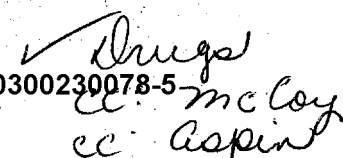
My complete findings will be published in a book entitled The Politics of Heroin in Southeast Asia by Harper and Row in August, 1972. The book is 720 pages in manuscript, and the documentation and transcripts of interviews are several times that. I will be happy to make this documentation available to you.

I hope that you will continue your efforts to attack the problem of drug traffic in Southeast Asia. Until this is done, thousands of American soldiers and citizens will continue to suffer from heroin addiction.

If any of this information is of help in fighting the drug traffic, please feel free to use it.

Sincerely,

  
Alfred McCoy

  
Drugs  
cc. McCoy  
cc. Aspin

## I. DRUG TRAFFIC FROM SOUTHEAST ASIA

Nelson Gross, Senior Advisor to the Secretary of State and Coordinator for International Narcotics Matters, tried to cover up the drug traffic from Southeast Asia, by telling a Congressional Inquiry on June 9, 1972 that, "Southeast Asia is not a major source of heroin on our market. . . We estimate that probably only five percent, certainly no more than 10 percent of the heroin presently flowing to the United States originates in Southeast Asia."

The available evidence shows that this is untrue. John Ingersoll, Director of BNDD, told this committee last year that, "Our addict population could be satisfied by some 50 to 60 tons of opium." There is a 10 to 1 reduction in the refinement of opium to heroin; 50 to 60 tons of opium yields 5 to 6 tons of heroin. The BNDD broke up a Filipino courier ring in 1970 which had smuggled 1,000 kilos (2,200 pounds) of Hong Kong heroin into the U.S. during the preceding 12 months. This one ring, working for one of the five major heroin dealers in Hong Kong, accounted for approximately 20 percent of the BNDD's estimate of total annual U.S. consumption. Additionally, Gross is contradicting the General Accounting Office which reported that:

The Far East is the second principal source of heroin entering the U.S. . . In the past, heroin produced in the Far East was consumed in Hong Kong and elsewhere, but recently significant quantities were reported to be smuggled into the United States via the Philippines and Canada. (Observations and Data Concerning Illegal Entry of Narcotics, staff paper of the GAO, May 21, 1971)

## II. INVOLVEMENT OF SOUTHEAST ASIAN GOVERNMENTS

State Department spokesman Gross also tried to conceal the involvement of our Southeast Asian allies in his statement to the Congressional Inquiry:

Equally sensational and, as far as we can ascertain, unsubstantiated, is the charge by Mr. McCoy that high government officials in Thailand, Laos and South Vietnam 'are actively engaged in the heroin traffic and are protecting the region's powerful narcotics syndicates.

The State Department, however, should be aware that the U.S. Army Provost Marshal reported that high ranking members of South Vietnam's government were in the top "zone" of a four-tiered heroin trafficking pyramid:

Zone 1, located at the top or apex of the pyramid, contains the financiers, or backers of the illicit drug traffic in all its forms. The people comprising this group may be high level, influential political figures, government leaders, or moneyed ethnic Chinese members of the criminal syndicates now flourishing in the Cholon sector of the City of Saigon. The members comprising this group

are the powers behind the scene who can manipulate, foster, protect, and promote the illicit traffic in drugs. (Office of the Provost Marshal, U.S. Military Assistance Command Vietnam; The Drug Abuse Problem in Vietnam, 1971, p. 6)

Again Gross is contradicting the findings of other government agencies. Newsweek of July 19, 1971 reported that, "Attorney General John Mitchell agreed that government officials have been involved in the Southeast Asian heroin trade." John Warner, Chief of the Strategic Intelligence Office of the BNDD, in an interview with the Washington Evening Star, June 19, 1972, acknowledged that, "Corruption is a way of life in Southeast Asia. It reaches to all levels." The article continued, "The weeding out of Asian officials heavily involved in the dope traffic, as well as the strikes against the traffickers themselves are all fairly recent."

Gross also said, "As for Ouan Rathikoun (Ouane Rattikone). . . we are not aware of anything more than unsubstantiated allegations concerning his past and present complicity. With regard to his 'control' of the 'largest heroin laboratory in Laos,' once again, all we have is allegation."

Thus Gross continued the myth of innocence fostered by the State Department and the U.S. Embassy in Laos. However, John Warner confirmed my charges by admitting for the first time Gen. Ouane's involvement.

Gen. Ouane Rattikone, former chief of staff of the Royal Laotian Army, had consolidated several opium refineries into one, and with his army, controlled and protected the Laotian narcotics traffic for years, Warner said. (Washington Evening Star, June 19, 1972)

### III. U.S. EMBASSY IN LAOS

John Warner countered my testimony by calling U.S. Ambassador to Laos, G. McMurtrie Godley, "one of the staunchest supporters of the anti-narcotics program in Laos." However, in December, 1970, while American troops in Vietnam were being decimated by Laotian heroin; while Gen. Rattikone was Laotian chief staff and his involvement as well as the location of the heroin laboratories was common knowledge among even the most junior U.S. officials; Godley wrote to an American journalist who had complained that Laotian officials were involved in the drug traffic:

Regarding your information about opium traffic between Laos and the United States, the purchase of opium in Southeast Asia is certainly less difficult than in other parts of the world, but I believe the Royal Laotian Government takes its responsibility seriously to prohibit international opium traffic. . . However, latest information available to me indicated that all of Southeast Asia produces only 5 percent of narcotics which are, unfortunately, illegally imported to Great Britain and the U.S. (James Hamilton-Patterson, The Greedy War [David McKay Co., Inc., New York, 1971], pp. 275-276.

Warner also claimed that Gen. Rattikone "was forced to retire in July, 1971. We have political clout in the area and Ambassador Godley exerted it." This directly contradicts the State Department. The July 21, 1971 Newsweek reported that the State Department said the timing of the retirement of Gen. Rattikone was "sheer coincidence." Newsweek's Vientiane correspondent and diplomatic sources told me that Ouane's retirement had been planned for over a year, and Gen. Rattikone, who admitted his involvement in the narcotics traffic, flatly denied that there had been any pressure on him to retire.

#### IV. CIA AND AIR AMERICA INVOLVEMENT

Nelson Gross quoted the Managing Director of Air America, who called my charge that Air America aircraft have been transporting opium "utterly and absolutely false." Air America's involvement has been confirmed by Gen. Ouane and by Gen. Thao Ma, former commander of the Laotian Air Force, who refused to carry opium for Gen. Ouane.

I spent six days in August, 1971 in the opium-growing Meo village of Long Pot, Laos. Ger Su Yang, the District officer, told me:

Meo officers with three or four stripes [captain or more] came from Long Tieng to buy our opium. They came in American helicopters, perhaps two or three men at one time. The helicopter leaves them here for a few days and they walk to villages over there, then come back here and radioed Long Tieng to send another helicopter for them. They take the opium back to Long Tieng.

This account was verified by everyone I talked with. Ger Su Yang also reported that the helicopter pilots were always Americans. Flora Lewis, writing in The Washington Post on July 23, 1971, said:

The CIA has changed its rules in an attempt to stop the use of its private airline, Air America, for transport of drugs [opium and heroin] in Laos. Although only two months ago CIA director Richard Helms adamantly denied there had been any agency involvement in this traffic, he is now said to have told a secret Congressional hearing that there was involvement but it has stopped.

#### V. SOUTHEAST ASIAN HEROIN THROUGH LATIN AMERICA

John Warner contradicted his superior, John Ingersoll: "Despite some testimony on Capitol Hill that much of the massive flow of heroin moving through Latin America on its way to the United States comes from Southeast Asia, Warner said there is no indication yet that any Southeast Asian heroin has been transshipped through Latin America." (Washington Evening Star, June 18, 1972).

Ingersoll told this committee last year that "Intelligence on the flow of heroin from Southeast Asia through South America and Latin America is inconclusive, but indications are that it may be considerable." (Ingersoll, letter to Senator Proxmire, Chairman, Subcommittee on Foreign Operations, Senate Committee on Appropriations, July 12, 1971, reprinted in Foreign Assistance and Related Programs Appropriations FY 1972, Committee on Appropriations, U.S. Senate, p. 614)

#### VI. NO EVIDENCE

The Star reported that John "Warner said he had seen nothing of an evidentiary nature from McCoy 'other than gossip, rumors, conjecture and old history.'"

I have given this committee a copy of a U.S. government document implicating Gen. Ngo Dzu. Mr. Warner is well aware of this evidence. He should also be aware of the U.S. Army Criminal Investigation Division (CID) reports dated January 6, May 12, and July 10, 1971 which provide ample details on Gen. Ngo Dzu's involvement in the heroin traffic.

The U.S. government knows who is trafficking in drugs in Southeast Asia, but does not act. It says it lacks the hard evidence to crack down. I say the problem is a lack of will rather than a lack of evidence. The Phoenix program with its gigantic intelligence apparatus was carried out by the U.S. in Vietnam to kill and imprison suspected enemy agents. Suspects were not given trials, hard evidence was not required. I do not condone the Phoenix program, but it does indicate what the U.S. can and will do to keep friendly generals in power. The fact that there is no comparable effort to stop heroin trafficking shows that the U.S. puts political and military goals in Southeast Asia far ahead of stopping the drug trade.

CID Documents

The Criminal Investigation Division of the Army has a criminal investigative file on General Dzu which contained at least three CID documents as of mid-July 1971. These three documents are in the form of reports prepared and transmitted by a CID operating detachment to higher CID headquarters. The information in the reports was developed by the CID operations unit from sensitive, confidential sources.

Document #1 -- dated January 6, 1971. The source reported that Gen. Dzu and Dzu's father were involved in narcotics trafficking, and that Gen. Dzu made use of his personal aircraft to transport the drugs. The source also provided the names of several other individuals involved with Gen. Dzu in the trafficking operation, including the ARVN provost marshal in Qui Nhon, certain South Vietnamese naval officers, a South Vietnamese judge, and an officer of a South Korean Division.

Document #2 -- dated May 12, 1971. The source alleged that Gen. Dzu's father, Ngo Khoung, was trafficking in heroin with an ethnic Chinese. The source named dates and places, as well as certain Saigon principals in the operation, including a former special assistant to President Thieu.

Document #3 -- dated July 10, 1971. The source reported that Gen. Dzu controlled a sizable heroin trafficking operation through several individuals, including his mistress, Mrs. Tran Thi Khanh.

Below is the letterhead of the document reproduced on the next page.

CONFIDENTIAL

HEADQUARTERS  
UNITED STATES MILITARY COMMAND, VIETNAM  
APO SAN FRANCISCO 96222

Office Of The Assistant Chief Of Staff, CORDS

MACCORDS-PS

10 June 1971

Approved For Release 2005/01/27 : CIA-RDP74B00415R000300230078-5

SUBJECT: Alleged Trafficking in Heroin (U)

HEADQUARTERS  
UNITED STATES MILITARY AIR FORCE COMMAND, VIETNAM  
APO SAIGON AIR FORCE HSCD 96222

Office of the Assistant Chief of Staff, CORDS

MACCORDS-PS

10 June 1971

MEMORANDUM FOR RECORD

SUBJECT: Alleged Trafficking in Heroin (U)

1.(C) A confidential source has advised this Directorate that the father of General Dzu, MR 2 Commanding General, is trafficking in heroin with Mr. Chanh, an ethnic Chinese from Cholon. (Other identification not available.)

2.(C) General Dzu's father lives in Qui Nhon. Mr. Chanh makes regular trips to Qui Nhon from Saigon usually via Air Vietnam, but sometimes by General Dzu's private aircraft. Mr. Chanh either travels to Qui Nhon alone, or with other ethnic Chinese. Upon his arrival at the Qui Nhon Airport he is met by an escort normally composed of MSS and/or QC's. Mr. Chanh is then allegedly escorted to General Dzu's father where he turns over kilogram quantities of heroin for U.S. currency. Mr. Chanh usually spends several days in Qui Nhon, and stays at the Hoa Binh Hotel, Gia Long Street, Qui Nhon. When Chanh returns to Saigon he is allegedly also given an escort from TSN Airport.

3.(C) The National Police in Qui Nhon, especially those police assigned to the airport, are reportedly aware of the activity between General Dzu's father and Mr. Chanh, but are afraid to either report or investigate these alleged violations fearing that they will only be made a scapegoat should they act.

4.(C) Mr. Chanh (AKA: Red Nose) is an ethnic Chinese from Cholon about 40 years of age.

MICHAEL G. McCANN, Director  
Public Safety Directorate